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NEWS SUMMARY

GENERAL

Callaghan backs Heath on inquiry

Former Labour Premier James Callaghan yesterday joined Mr Edward Heath in asking why the proposed inquiry into the Falklands crisis should examine the papers of previous governments.

He said what people wanted to know was whether the present government acted prudently.

Mrs Thatcher plans to ask both men, and Sir Harold Wilson, for access to their papers, which, she believes, are Crown property. Page 3

Israelis gather

Israel continued its military build-up around Beirut, saying Palestinian guerrillas would be "wiped out" if they did not leave. Page 2

Hijacker plea

Italy asked Sri Lanka to extradite a hijacker who held 261 hostages on an Alitalia jumbo jet and got away with a £172,000 ransom.

Attack on left

Leaders of the tax staffs' union voted to expel organisers of a left-wing group in the union. Page 3

Iran killing

Ayatollah Mohammad Sadduqi, Ayatollah Khomeini's representative in the Iranian city of Yazd, died in a grenade attack blamed on Mujahedin guerrillas.

Runcie hits out

Archbishop of Canterbury Robert Runcie denounced racism, saying talk of repatriating people was a "dangerous fantasy."

Cosmonauts land

France's first cosmonaut, Jean-Loup Chretien, landed safely with two Soviet crewmates in central Asia after a nine-day flight.

China warning

Chinese Foreign Minister Huang Ha warned of a "tough and even violent" reaction if the U.S. kept selling arms to Taiwan.

Mauritius deal

Mauritius accepted a British offer of £4m to compensate islanders displaced when Britain took over Diego Garcia atoll for military use.

Lloyd beats King

At Wimbledon, Billie-Jean King lost to Chris Lloyd, who will play Martina Navratilova in the women's final today. McEnroe beat Kriek and Mayotte beat Teacher. Page 11

World Cup

Brazil 3, Argentina 1. Herrsching Kickers club left the West German Football Federation in protest at the national team's unsporting play

Briefly . . .

Greek cabinet is to be reshuffled today.

Hong Kong will give £2m to the South Atlantic fund.

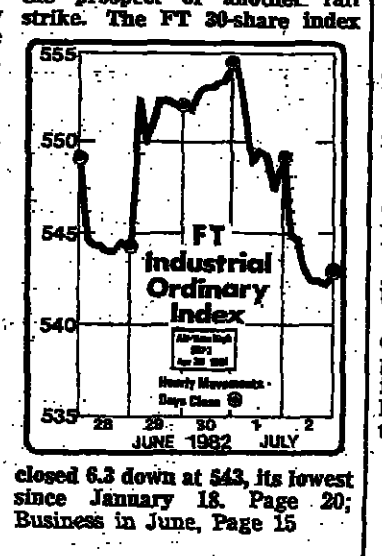
Painter Joan Miro, 89, underwent eye surgery.

Wolverhampton Wanderers football club called in the receiver.

BUSINESS

Equities fall 6.3; Tokyo off 94.51

● EQUITIES were dismal on the prospect of another rail strike. The FT 30-share index



closed 6.3 down at 543, its lowest since January 18. Page 20; Business in June, Page 15

● GILTS held recent gains, helped by an easing of upward pressures on U.S. interest rates. The Government Securities index closed 0.10 off at 69.39. Page 20:

● TOKYO'S Nikkei Dow index fell 94.51 to 7,084.87, partly on Hitachi's share price drop. Page 16; Feature, Page 5

● WALL STREET was 4.94 down at 798.33 near the close. Page 16

● STERLING eased to $1.7315, down 25 points, and SwFr 3.6425 (SwFr 3.6575). It edged up to FFr 11.89 (FFr 11.88) and was unchanged at DM 4.2875. Its trade-weighted index was 91.3 (91.2). Page 19

● DOLLAR firmed to DM 2.476 (DM 2.4725) and Y256.45 (Y256.25) but slipped to SwFr 2.1035 (SwFr 2.109). Its index was 121 (120.8). Page 19

● GOLD rose $2 to $313 in London. Page 17

● ARGENTINA will seek to restructure its $36bn (£20.7bn) foreign debt, President Reynaldo Bignone said. Back Page; Romania requests rescheduling, Page 2

● UK RESERVES fell $117m to $17.7bn in June, the lowest for more than three years. Page 15

● SAVINGS and Investment Bank, whose licence was withdrawn by the Manx Government on June 25, will reopen next week, London's High Court was told. Page 3; Bank tax review, Page 15

● ITT is investigating allegations that one of its divisions violated the U.S. boycott of Iran during the hostage crisis. Page 2

● U.S. UNEMPLOYMENT rate was 9.5 per cent in June, unchanged from May, its highest level since 1941. Page 2

● MINERS' leader Arthur Scargill gave the Coal Board up to six weeks to withdraw a pit closure proposal or face industrial action. Page 3

● MITSUBISHI, Japan's biggest trading house, reported net profits 24.2 per cent down at Y33.98bn (£76m) in the year ending March. Page 17; Japan 'feels pressure', Page 15

● TOWN & CITY Properties cut full-year taxable losses from £11.08m to £2.94m after returning to profit in the second half. Page 14; Lex, Back Page

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES		
Barr and WAT A	66	+ 4
Bibby (J.)	275	+ 10
Eagle Star	343	+ 16
Firth (G. M.)	150	+ 9
Greatermans A	288	+ 28
Heath (C. E.)	345	+ 8
Howard Tenens	51	+ 4
Kennedy Smale	165	+ 5
Smith Bros	48	+ 3
FALLS		
[illegible]rchain	256	− 6
[illegible]ock Johnson	55	− 6
[illegible]rape	255	− 8
Midland Bank	315	− 5
Pilkington	200	− 5
Polly Peck	325	− 12
Quest Auto	52	− 5
Reed Intnl	284	− 6
TI	104	− 8
TSL Thermal Synd	73	− 9
BP	274	− 6
Shell Transport	380	− 10
De Beers Dfd	187	− 7
Gld Mns Kalgoorlie	150	− 10
North Broken Hill	97	− 6
Peko-Wallsend	216	− 8
Western Mining	167	− 16

Jenkins triumphs in SDP leadership vote

BY PETER RIDDELL, POLITICAL EDITOR

ROY JENKINS last night comfortably won the first election for the leadership of the Social Democratic Party.

He is now the favourite to become the SDP/Liberal Alliance's candidate for Prime Minister.

He won 26,256 votes compared with 20,864 for Dr David Owen.

The winning margin—55.7 per cent to 44.3 per cent—is clear cut especially as Mr Jenkins had appeared to be overshadowed during the Falklands crisis by Dr Owen's prominent role as party spokesman.

Mr Jenkins admitted the result was better than he expected, though; referring to the Warrington and Hillhead by-elections he added: "I am getting used to coming from behind."

The turnout was higher than expected—75.6 per cent of the party's 62,372 members voted in the first postal ballot for the leadership of any British political party.

Mr Jenkins' priority will now be to regain for the SDP some of the momentum lost in recent months and to cement the alliance with the Liberals. There is likely to be pressure to reach final agreement on the share-out of parliamentary constituencies and to have candidates in place by the late autumn.

Planning is also likely to start on the joint campaign for the next election.

Mr Jenkins will this morning launch a major campaign to argue that the SDP/Liberal Alliance is the only group with the policies to tackle the issue of high unemployment which he believes must dominate the next election.

Last night, Mr Jenkins argued that the Alliance is essential to "the challenge of offering the public a new deal in British politics." He said people would turn from the Falklands crisis to unemployment and the economy.

The outcome is clearly that favoured by Mr David Steel, the Liberal leader, since Mr Jenkins supports close links with the Liberals. His preference will now prevail over Dr Owen's desire for a distinctly separate identity for the SDP within the Alliance. This was the main campaign issue.

For Mr Jenkins, the outcome marks a remarkable return to British politics only 18 months after the end of his four years in Brussels as president of the EEC.

The decision suggests that SDP members, who are on average older than voters generally, preferred the man of long ministerial experience. They seemed to want someone who will unify the Alliance in the short-term in the difficult run up to the next election, and who is believed to have the widest appeal across the political spectrum to former Tory as well as to former Labour voters.

Since Mr Jenkins is 61, the decision can be regarded as a short-term vote for someone who will tide the party over the formative years. Neverthe-

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French steel concerns fail to implement price rises

BY DAVID HOUSEGO IN PARIS AND JOHN WYLES IN BRUSSELS

FRENCH STEEL producers will not implement price increases due to have come into effect on July 1 under the agreement between European steelmakers. However, officials yesterday claimed that the freeze was only "temporary."

They said France was trying to reconcile its EEC commitments with the domestic requirements of the Government—imposed prices and wages freeze.

Under the agreement between the EEC's major steelmakers grouped in the Eurofer "club," French producers should have raised prices by 3 to 4 per cent on July 1 as part of a 12 per cent increase agreed for the year as a whole.

Co-ordinated prices rises are a vital part of the European Community's crisis regime under which steel production is subjected to strict quotas with the aim of bringing the industry back into profit.

Steel experts at the European Commission were surprised and alarmed last night by the French decision not to raise prices. If the French are allowed to freeze steel prices while other producers are raising theirs, the disciplines which have been imposed on the steel market by the Community could quickly disintegrate.

Germany, for one, would be tempted to carry out its threat to impose quotas or border levies on steel imports, while other producers might lapse into a spate of price cutting.

However, the Commission is prepared to fight to ensure that France honours its treaty obligations and political undertakings. It has the power to fix minimum steel prices under the Coal and Steel Treaty and the authority to impose stiff fines if its orders are disregarded.

For the French Government, however, the problem is that all prices have been frozen until November 1 as part of the post-devaluation stabilisation package. The only exceptions are petrol prices, fruit, vegetables and producer prices of farm products.

At this crucial juncture in its economic programme, Paris is anxious to avoid any knock-on effect on domestic industry of a rise in French steel prices.

Officials emphasised yesterday that France wanted to honour its commitments under the Eurofer accord and that negotiations were going on with the EEC Commission.

Officials said the move did not signal an attempt by France to undercut other European producers. They insisted also that France did not want non-EEC members to use the temporary "freeze" in French steel prices as a lever for forcing down prices elsewhere in the Community.

GEC-Hitachi to cut 800 jobs

BY GUY de JONQUIERES AND ROBIN REEVES

GEC-HITACHI, the television manufacturer owned by the General Electric Company and Hitachi of Japan, plans to make more than 800 of the 1,900 workers at its South Wales plant redundant in the next five months.

Management at the plant in Hirwaun, near Aberdare, told union leaders the factory would close unless they accepted the redundancies. Mr Frank Evans, local full-time official of the engineering workers union, said the cuts had not yet been agreed and there would be further discussions with management.

The company said yesterday that intense competition and price-cutting in the television market made drastic cuts essential if it were to survive. It is understood to be seeking a 25 per cent cut in costs this year.

The plant was put on a three-day week for six weeks in May and pay increases have been deferred. Stocks of finished products had fallen, the company said, but further measures were needed.

The cuts are the most severe announced by any television manufacturer so far this year. But several other companies have admitted they are having to adjust output.

Thorn EMI, the largest wholly British-owned manufacturer, said yesterday that it had lowered television production by 20 per cent since November and had frozen recruitment. It wanted to trim its labour force further in the next few months.

GEC-Hitachi, which was formed in 1979, is owned equally by the two parent companies. It makes colour televisions with screen sizes ranging from 16 in to 26 in, and has an annual capacity of about 300,000 sets. Production is believed to have been running at about half this rate recently.

The company made a profit after interest of £250,000 in the year to March 31 on turnover of £56m. Sets made at Hirwaun are marketed separately by the parent companies.

Hitachi has been exceptionally aggressive in its efforts to expand its share of the UK market and is believed to have spent about £3m on promotion recently. Its share of output from the Hirwaun plant was twice that of GEC last year.

Demand for colour television sets has grown strongly in the past year, but it has not kept pace with the rise in supply. This is due partly to increased output from UK plants established or acquired by Japanese manufacturers since 1979, and to higher imports.

GEC-Hitachi is seeking 530 redundancies immediately and a further 300 next November.

It said 270 employees had already applied for voluntary redundancy, but some were highly-skilled workers it did not want to lose. Compulsory redundancies were therefore inevitable.

£ in New York

—	July 1	Previous
Spot	$1.7405-7420	$1.7325-7335
1 month	0.39-0.42 pm	0.38-0.42 pm
3 months	1.33-1.36 pm	1.28-1.33 pm
12 months	4.72-4.85 pm	4.65-4.85 pm

BR toughens its position

BY PHILIP BASSETT, LABOUR CORRESPONDENT

BRITISH RAIL's services seem certain to be shut from midnight tonight by a strike of the train drivers' union Aslef. This follows a significant further hardening of the BR board's position yesterday.

Last-minute peace initiatives today seem unlikely. The two sides were deadlocked last night over the imposition by British Rail of new flexible work rosters from tomorrow.

The temperature of the already-inflamed dispute between BR and the Associated Society of Locomotive Engineers and Firemen could be greatly increased if BR acts upon suggestions it is considering not re-employing drivers after the strike unless they cease to be members of Aslef.

Drivers would be deemed under the suggestion to have dismissed themselves after striking. They would be told in a personal letter from British Rail that giving up Aslef membership would be a necessary part of their return to work agreement.

Such a suggestion would clearly show that BR was out to take severe action against the continued existence of Aslef as a union. With the warnings that a strike might mean there would be no jobs for many drivers to come back to, it would present drivers with a stark choice of their job or their union.

However, it would carry the risk of setting the whole TUC against British Rail.

BR made it clear yesterday that in the event of a strike, a pre-condition for re-employment would be that drivers personally agree to accept flexible rostering. Mr Clifford Rose, BR board member for industrial relations, said: "If the strike starts, the return to work will be on the basis of flexible rostering."

This is a further hardening of British Rail's tough attitude. But an even firmer stance was taken when BR disclosed new conditons with which Aslef would have to comply before BR would agree to suspend introducing the new rosters.

These conditions were:

● The strike must be called off.

● Aslef must accept the principles of the decision by the Railway Staffs' National Tribunal, chaired by Lord McCarthy, that flexible rostering should be introduced.

● The Aslef executive should recall the policy-making annual assembly of delegates imme-

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diately and recommend to the conference the acceptance of the staffs' tribunal decision on rostering.

● The Aslef executive should agree to the detailed introduction of flexible rostering in a substantial area of the country —17 depots in Scotland—as a pilot scheme.

British Rail's proposals still leave the decision to the militant Aslef conference. But reinforced by the inclusion of flexible rostering in a return to work agreement, BR believes it can secure this key productivity issue.

Last night Sir Peter Parker, BR chairman, said: "The country has every right to be fed up with this nonsense. This issue must be put to bed.

"We are not going to end up with any fudged situation. This is just one fudge too far."

BR believes that Aslef's agreement to a simultaneous experiment of flexible rostering

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EMERGENCY CAR PARKS

Police said yesterday that parking restrictions in London would not be relaxed if the rail strike takes place. Some parking meters will be suspended on certain roads to help traffic to flow more easily and emergency car parks will be opened in Birdcage Walk, Battersea Park, East Smithfield, Clapham Common, Regents Park and Kensington Gardens.

Howell attacks Aslef

By John Hunt and John Lloyd

MR DAVID HOWELL, Transport Secretary, yesterday made a last-minute appeal to train drivers to disobey the strike decision of the Aslef executive

In a bluntly-worded Commons statement, he described the threatened stoppage as "catastrophic—the most pointless strike called by a trade union in half a century.

"It is not too late for the many engine drivers who normally serve the public well to see that they are being grievously misled by their executive.

"They will go great harm to their own members' livelihoods, as well as to those of many others and to the railway itself. Much their wisest course is to cool off the strike and accept the introduction of flexible rostering."

He backed the insistence of British Rail that the strike must first be called off and only then would it be prepared to discuss with Aslef how flexible rosters should be introduced.

He pointed out that the executive could have ballotted the members on the strike at public expense but it had chosen not to do so, "and one can make the necessary deduction from that."

There was strong support for the Government from Dr David Owen, for the Social Democrats. He called for Mr Howell and Mr Norman Tebbit, Employment Secretary, to investigate the possibility of introducing postal ballots for union executives. If that had been done, Aslef would never have behaved in this "totally irresponsible way."

In Llandudno, Mr Michael Foot, the Labour leader, told the annual conference of the Confederation of Shipbuilding and Engineering Union: "If the Government showed any kind of spirit of co-operation or consultation, even at this late stage, it could stop the strike.

"One of the major contributions to the crisis has been the refusal of the Government to honour its own obligations about investment in the industry."

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OVERSEAS NEWS

Eitan threat to 'wipe out' PLO men

BY DAVID LENNON IN TEL AVIV

ISRAEL continued its military build-up around Beirut yesterday as officials in Jerusalem stated that over two weeks of diplomatic efforts to persuade the Palestinian guerrillas to leave the Lebanese capital had not yet achieved any result.

General Rafael Eitan, the Chief of Staff, said that it would be possible to launch a military attack on the guerrillas in west Beirut without having to enter the densely populated quarters of the city.

The general said in a newspaper interview that if the guerrillas did not leave Beirut, then the Israeli army would have to wipe them out. The Palestinian Liberation Organisation could not be allowed to remain in the city, he said. If it did Israel would have to repeat the operation at a later date, in much more difficult circumstances.

The Chief of Staff also revealed that the Israeli invasion of Lebanon had been planned to take place in July last year, but had been postponed after a ceasefire was arranged by Mr Philip Habib, the special U.S. Presidential envoy, who is now in Beirut.

Two senior French officials who visited Jerusalem yesterday before going to Beirut to try to seek a settlement were told by Mr Yitzhak Shamir, the Foreign Minister, that they should not try to save the 6,000 PLO guerrillas trapped in the Lebanese capital.

He appealed to M Francis Gutman, Secretary-General of the French Foreign Ministry, and M Bruno Delaye, a counsellor to the French Foreign Minister, not to interfere in the current negotiations, which, he said, are at a decisive stage.

Mr Shamir also asked his visitors not to do anything which would encourage the PLO to delay its departure from Beirut. To do so would be to prolong the Lebanese tragedy and delay a solution to the Palestinian problem, he said.

The Cabinet is due to convene tomorrow for what may be a crucial meeting. The Government may decide that it can no longer wait for the diplomats to try to reach a negotiated settlement and may order the army to move into the city to crush the Palestinian guerrillas and destroy their headquarters.

Meanwhile, despite growing public protest in Israel against the war in Lebanon, a public opinion poll published yesterday reported that most Israelis support the war and would also vote heavily for the ruling Likud Party if new elections were held now.

The Modi'in Ezrachi Research Institute carried out the poll in the third week of the war on behalf of the English language Jerusalem Post newspaper. The poll showed that 93 per cent of the adult public were able to justify the war in varying degrees, though the pollsters stressed that the sample polled did not encompass all those called up to fight.

The majority of the protests against the war had been coming from soldiers returning from the battlefield who have expressed strong reservations about the scope and aims of the invasion of Lebanon.

The poll found that just over half of those questioned thought the operation had been carried out on a desirable scale, while 33 per cent thought it was too big.

On election trends, it was revealed that the ruling Likud bloc of Mr Menahem Begin would gain 11 seats more than at the general election last year, while the main opposition Labour Party would lose nine seats. Likud would win 59 of the 120 seats in Parliament while Labour would get only 39 seats.

Gen Eitan . . . warning

Romania requests rescheduling of debts

By Peter Montagnon, Euromarkets Correspondent

ROMANIA yesterday formally requested about 200 commercial bank creditors to reschedule debts falling due this year as well as arrears still outstanding from last year.

It estimates the amount involved as some $2.9bn (£1.7bn). Some commercial bankers said yesterday the final total could turn out to be lower as some of this debt is guaranteed by Western governments and is covered by a separate rescheduling agreement.

The official request follows an outline rescheduling proposal made in March which was not immediately followed through because Romania was preparing a detailed information package on its economy.

This package is now ready and will probably be sent to the banks next week. It will help them analyse the proposal to defer repayment of commercial bank debt for up to six and a half years.

Terms of the proposed rescheduling are the same as those announced in March and involve a margin over Eurocurrency rates of 1¾ per cent and a renegotiation fee of 1 per cent.

The significance of yesterday's news is that Romania is now going ahead with the formal arrangements after several months delay.

The move follows completion of an agreement with the International Monetary Fund last month. This allows Romania to resume drawing on its $1.5bn standby credit.

A further indication of progress towards resolving Romania's debt problems comes with news that Western government credits will meet Romanian officials in Paris next week to discuss rescheduling of official debt.

Romania is estimated to have foreign debt of about $10bn of which $4.5bn represents money falling due this year and arrears from last year.

It also has debt outstanding to the IMF and World Bank as well as to foreign companies from which it has bought imports.

ITT investigates Iran embargo allegations

BY PAUL BETTS IN NEW YORK

INTERNATIONAL Telephone and Telegraph (ITT) the New York-based telecommunications conglomerate, is at the centre of an international controversy involving allegations that one of the company's divisions violated the U.S. boycott of Iran during the hostage crisis.

The company is conducting an internal investigation of the allegations and has turned over to the U.S. Government the appropriate documents and information concerning the controversial issue.

ITT has also suspended the President of a division which manufactures equipment for electric utilities and accounted for $75m (£43m) of the conglomerate's $23.2bn sales last year.

The controversy erupted after a former ITT business agent allegedly demanded more than $2bn from ITT in return for destroying evidence concerning the apparent violations of the Iranian boycott.

ITT, in a statement, said that on May 26, two of its representatives met a former agent at his request. "At the meeting, the agent demanded over $2m from ITT to destroy certain documents he claimed to have in his possession regarding possible violations of the Iranian boycott regulations that would be embarrassing to ITT," the statement said.

The conglomerate said it told the agent that "we would not submit to blackmail." The corporate representatives had told him that an immediate investigation of his allegations would be opened and that the results of that investigation would be made available to the proper authorities in Washington.

ITT disclosed that the allegations concerned the shipment of split-bolts and other hardware used by electric utilities.

The company also said: "Senior management of the company first learned of these allegations after the preliminary investigation was under way. Further, the company said that if the investigation now under way establishes violations have occurred, disciplinary actions will be taken in keeping with the company's stringent policies."

To the further embarrassment of ITT, the Washington Post yesterday published an extensive report based on a series of interviews with the former ITT agent. According to his statements ITT sold the equipment in 1980 to Iran, shipping it with the help of a Finnish firm via the Soviet Union.

The agent also denied the blackmail charges claiming, in the Washington Post, that he had met ITT officials last May to setlet a breach of contract claim for commissions over the sales to Iran. The value of the shipments to Iran is said to have totalled $3m.

He also alleged that another ITT subsidiary in Spain broke the U.S. embargo by allegedly selling telecommunications equipment to Iran at about the same time. ITT is also investigating this allegation.

Former President Jimmy Carter issued the economic sanctions against Iran after the hostages were seized in 1979 under the International Emergency Economic Powers Act. The maximum civil penalty under the act is $10,000 for each violation. The maximum penalty for a willful violation of the act is 10 years in prison and a $50,000 fine.

Siberia pipeline embargo 'might have been avoided'

BY JOHN WYLES IN BRUSSELS

PRESIDENT RONAL Reagan's controversial embargo on the supply of European manufactured equipment for the $7bn (£4.1bn) Siberia-West Europe gas pipeline might have been avoided if European governments had agreed earlier this year to heavier restrictions on trade and the supply of credits to the Soviet Union.

But U.S. efforts to secure new "disciplines" on trade through negotiations with its European allies had shown that such restrictions were "not on the cards," Mr Lionel Olmer, the U.S. Under-Secretary of Commerce for international trade, said yesterday.

While avoiding any suggestion that President Reagan might change his mind over the pipeline sanctions if the Europeans made fresh moves on the credits issue, Mr Olmer said it was "conceivable" that credit restrictions could be established which would impose an equivalent penalty to the embargo on pipeline equipment.

Speaking from Washington in a telephone interview, Mr Olmer added that under U.S. law, the regulations implementing the sanctions would not be adopted until August 18 and until then the comments of foreign governments would be taken into account.

His remarks seem to be the closest that any U.S. official has yet come in public to suggesting that tighter restrictions on trade and credits for the Soviet Union might be able to substitute for the embargo on pipeline equipment.

The real basis for the President's decision had been the lack of internal progress towards lifting martial law in Poland, Mr Olmer went on.

The Soviet Union had to be made to pay a price for its complicity in the Polish crackdown. The Administration had statistics showing the Soviet Union to be more dependent on international trade than had been previously realised.

Imported machinery now accounted for up to 20 per cent of newly installed equipment, while the ratio of imports to national income had risen to 20 per cent by 1980.

At over 7 per cent, the ratio of imports to national income had shown an increase "nearly double .. previous estimates." "The potential for exacting substantial costs through the imposition of these kinds of sanctions has risen rather sharply recently."

Mr Olmer also said that talks would be restarting with the European Commission aimed at settling the bitter clash over steel between the U.S. and the Community.

It is believed in Brussels that negotiators at these talks will try to secure a voluntary restraint agreement on European steel exports.

Negotiations in the days leading up to the imposition of duties, however, foundered because of the wide gap over the share of the U.S. market which could be allocated to EEC steel.

Both sides are now hoping that an agreement on the steel issue can draw some of the heat out ofthe most serious clash between them on economic and trade issues, since World War II.

Still, friction caused by the high levels of U.S. interest rates, agricultural conflicts and above all, the Soviet pipeline row would still remain, and Mr Olmer acknowledged that if there were no progress on any front in the next three months, that "would clearly have a very chilling effect" on the ministerial meeting of the General Agreement on Tariffs and Trade (Gatt) planned for November.

The U.S. is looking to this gathering to agree on a more liberalised régime for trade in services, but some European leaders are already making it clear that little progress can be expected unless the current polital climate is improved.

Black workers in gold mine riot

BY BERNARD SIMON IN JOHANNESBURG

THREE South African gold mines have been hit by strikes and rioting by black employees on the eve of a strike ballot by white miners.

About 20,000 workers were involved in disturbances on Thursday night at Driefontein Consolidated, near Carletonville, south of Johannesburg, and the Buffelsfontein and Stilfontein mines in the Western Transvaal. Considerable damage was caused to mine buildings and motor vehicles. Several hundred strikers were arrested.

By yesterday afternoon, about half the workers had agreed to resume duties. Gold Fields of South Africa, which manages the Driefontein mine, said it expected most of the strikers to return to work for the night shift.

The causes of the unrest are not clear but appear to be related to wage demands.

The disturbances coincide with a Chamber of Mines announcement that black miners' minimum wages will be increased by 12 per cent. Last year's average increase was 26 per cent.

The disturbances have so far not spread to mines administered by Anglo American Corporation where black workers earn considerably more than at mines. Anglo American's minimum monthly wage for underground miners is now R150 (£77), compared with the Chamber of Mines' minimum R129.

Yesterday, leaders of white mineworkers met in Johannesburg to discuss their strategy on the strike ballot scheduled for next Wednesday.

The vote follows the breakdown in wage negotiations between the Chamber of Mines and militant white trade unions. The Chamber has offered an increase of 9 per cent, saying that it cannot afford more because of the fall in the gold price. Workers are demanding 15 per cent.

Settlement likely in strike at Talbot

BY DAVID HOUSEGO IN PARIS

A SETTLEMENT appeared in sight yesterday to the bitterly-fought four-week strike at the Talbot motor company plant at Poissy near Paris, after the recommendations of a Government-appointed mediator received a generally favourable reception from the unions.

In principle, the recommendations are in line with the Government's current pay freeze in postponing all increases until November 1.

In practice, production line workers can expect overall wage increases this year of 12-13 per cent—above the government's target inflation rate of 10 per cent—as a result of promotions and bonuses to be awarded after the freeze ends.

Professor Jean-Jacques Dupe-roux, the Government-appointed mediator, who also helped settle recent strikes at Citroen—like Talbot, part of the Peugeot group—has proposed a FFr 400 (£33) bonus for employees on November 1 for the launching of the Samba car which is made at Poissy.

The use of promotions and bonuses to escape the impact of the wage freeze could set a precedent in other industries.

The dispute has much strengthened the Communist-led CGT union at Talbot. As at Citroen, it has championed the rights of the largely immigrant workforce against the company CSL union.

The CGT has imposed major defeats on the CSL in recent union elections at the Citroen plants in the Paris area as a result of the greater freedom it has won for union activity.

A further consequence of the strike is an increase in Talbot's costs.

The major recommendations of Prof Dupeyroux are similar to those he made at Citroen. They provide for increased status for trade unions, limits on management's power to discipline workers, and improved working conditions, above all for immigrants.

As at Citroen, two externally-appointed committees are to be established to oversee the bringing in of labour reforms and of changes in working conditions.

In addition, Prof Dupeyroux has proposed a committee to study the broadening of production workers' jobs

Talbot jobs cuts, Page 3

Canada seeks European share in Arctic LNG

By Richard Mackie in Toronto

AN AGENCY of the Canadian Government has approached France, West Germany and other western European countries seeking their participation in a scheme to develop natural gas resources in the high Arctic and deliver liquefied natural gas to Europe. The plan, called the Arctic Pilot Project, was originally intended to deliver the gas to the U.S., but western Europe now seems potentially a better market.

Petro-Canada, the Federal Government's oil company and the agreed sponsor of the APP has recently had discussions with several western European countries, Mr Wilbert Hopper chairman of the oil company confirmed.

No fundamental decision has been taken about changing markets, Mr Hopper

Next week, federal energy minister Mr Marc Lalonde and his French counterpart, M Edmond Herve, are to discuss possible French investment in the project,

Adml. 'Sandy' Woodward home tomorrow

By David Tonge

REAR-ADMIRAL John "Sandy" Woodward (right) commander of the British task force in the Falklands crisis, returns to Britain tomorrow to resume his posting as Flag Officer First Flotilla.

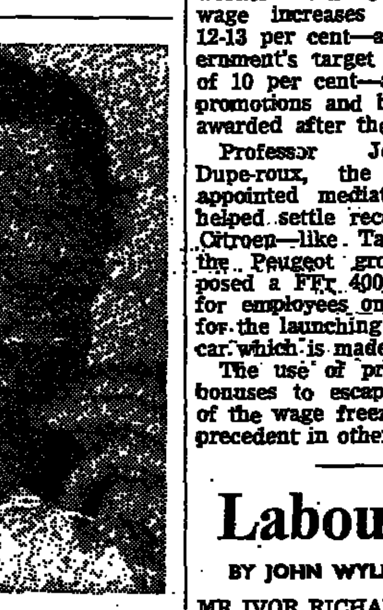
His position as task group commander is being taken over by Rear-Admiral Derek Reffell, a former director of naval warfare and former commander of HMS Hermes, the task-force flagship during the Falklands fighting.

Maj.-Gen. David Thorne is this month to succeed Maj.-Gen. Jeremy Moore as commander of British forces on the Falkland Islands and military commissioner.

Before being sent to the Falklands, Adml Woodward was one of the three fully sea-going admirals among Britain's 37 rear admirals.

Britain also has 11 Vice-Admirals, six full Admirals and one serving Admiral of the Fleet.

The admiral was quickly silenced after telling the British press that the recapture of South Georgia was "the run-up to the big match, which in my view should be a walkover."



He was also criticised by some officers in other services who said he kept his fleet far to the east of the Falklands, failed to provide air cover during the Bluff Cove landings, and did not come onshore to get the feel of the campaign.

Labour policy 'disastrous'

BY JOHN WYLES IN BRUSSELS

MR IVOR RICHARD, the European Commissioner for Social Affairs, warned here yesterday that the British Labour Party's policy of withdrawal from the EEC was "a recipe for disaster." A statement from the party's national executive committee was "a shameful document," he said.

Mr Richard was launching a 34-page report, a comprehensive rejoinder to the NEC document, which has been compiled by the British Labour Group in Brussels. Virtually all those who have worked on the report are British nationals employed by the Community.

A British withdrawal would spell an end to their Euro-careers. But yesterday one of them vigorously denied they were motivated by self-interest.

British Withdrawal from the European Community? British Labour Group, Brussels. £1.

West German industrial output down

By Kevin Done in Frankfurt

THE West German economy is still showing few signs of emerging from prolonged recession—the longest of the post-war period—with industrial production continuing to stagnate slightly below last year's depressed level.

Latest figures released by the Federal Economics Ministry show industrial production in April and May at 0.5 per cent below the level set a year earlier.

On a seasonally-adjusted basis, output in May showed no change over April, while on a two-month comparison, production in April/May showed a small drop over February/March of 0.5 per cent.

The Federal Government has received little comfort on the inflation front in the last two months, with retail prices again starting to rise faster, fuelled by higher tobacco taxes and rising petrol prices.

Provisional figures for June show retail prices rising over May. Prices were 5.8 per cent higher in June compared with the same month a year ago, against an increase of 5.3 per cent in May.

Chances of an early upturn in the economy are also being hit by falling export orders in some of West Germany's most important industrial sectors.

New foreign orders booked by the mechanical engineering sector fell by 14 per cent in real terms in May,

U.S. unemployment rate held at 9.5%

BY REGINALD DALE, U.S. EDITOR, IN WASHINGTON

U.S. UNEMPLOYMENT held steady at the post-war record rate of 9.5 per cent in June, the Labour Department said yesterday. The department indicated that while the recession appeared to be bottoming out, the jobless total could still edge higher in the coming months.

The June total, the same as in May, was marginally higher than April's 9.4 per cent. It was accompanied, however, by post-war record of unemployment levels of 8.7 per cent among adult men and a staggering 52.6 per cent among black teenagers.

Labour Department officials said that despite the fact that the total figures appeared to be holding steady, the labour market appeared to have been somewhat weaker in June.

The survey week used in collecting data came earlier than usual this year, and did not include many students entering the job market this summer.

The number of "discouraged workers," those who have given up looking for jobs, rose by 160,000 to a high of 1.5m in the second quarter. This continues an upward trend which began before the latest recession got under way, the department said.

The highest levels of unemployment were in the construction industry, where it rose to 19.2 per cent in June, and in agriculture, where it fell from 18.2 per cent to 16.3 per cent. For manufacturing industry as a whole, unemployment was 12.3 per cent.

Total employment declined by 350,000 to 99.8m following an increase of 780,000 in May. After seasonal adjustment, the total number of unemployed was 10.4m.

Senate committee backs Republican tax increases

BY REGINALD DALE, U.S. EDITOR IN WASHINGTON

THE U.S. Senate finance committee, yesterday approved a $21bn Republican package of tax increases. It also decided to preserve the third and final 10 per cent instalment of President Ronald Reagan's income tax cuts due for July 1, 1983.

The vote came as federal employees prepared themselves for pay cuts and part-time work as a result of budget problems. The first 300 employees are to be laid off on Tuesday. Thousands could be affected if there is no early action by the Democrat-controlled House of Representatives.

House approval is needed for the final version of a supplementary appropriations Bill that would provide the stop-gap funds needed to keep government departments running.

The House adjourned for the Independent Day recess without endorsing the Bill after the Senate finally approved a fourth version of the measure earlier in the week.

The tax increase Bill is intended to implement the budget compromise agreed last month by the House and Senate. It aims to raise an extra $98bn in extra federal revenue over three years.

Proposals in the Bill include a doubling of federal tax on cigarettes, reduced tax deductions for medical expenses and an automatic 10 per cent withholding tax on dividends and interest payments.

As Jardine Matheson celebrates its 150th anniversary, **Robert Cottrell** looks at the history of Hong Kong's most aristocratic trading house

Supreme boss with finger in 40 pies

TAIPAN, as readers of Mr James Clavell's novels will know, is the Chinese term meaning supreme boss. Although Mr David Newbigging, Jardine's chairman, does not cultivate the title, he fits the mould. Hong Kong is a small place, run by a few people, and Mr Newbigging is one of them. They know one another from the same clubs, the same boardrooms, and lengthy sessions on government advisory bodies. They are not a conspiracy so much as a consensus.

Mr Newbigging was born in China of a Scottish family. Son of a Jardine's man, Mr Newbigging joined the company immediately on completing military service in 1954, became a director in 1967 at 33, and chairman in 1975.

Mr Newbigging is a director of 40 companies, roughly half of which provide active, time-consuming jobs. He serves on the two senior government bodies, the Executive Council and Legislative Council — Exco and Legco—and to follow through his working week is to see all of the Hong Kong powers that be, public and private, in action.

He is chairman of Jardines. He is also chairman of its sister company, Hong Kong Land. He is the newly-appointed chairman of Hong Kong Electric Holdings, one of the territory's two power utilities, and a director of Hong Kong Telephone Company, the domestic monopoly. Land and Jardines own one-third of each other, while Land owns one-third of the telephone company and a fifth of the electric company as well.

If you want a local merchant bank in Hong Kong, you will probably go to Wardley or Jardine Fleming. Mr Newbigging is chairman of Jardine Fleming. Wardley's parent is the Hong Kong and Shanghai Banking Corporation. Mr Newbigging is a director of that, too. "The Bank," as it is called locally, dominates the domestic market and is effectively Hong Kong's central bank.

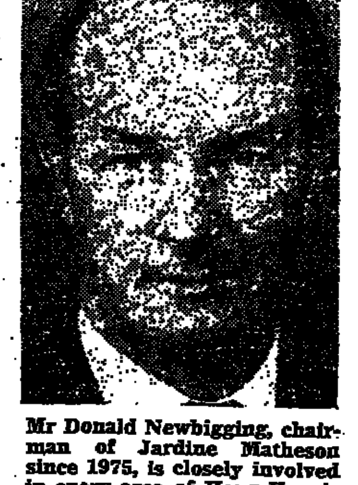
If you want to business with Hong Kong, you may well turn to the Chamber of Commerce or the Trade Development Council. Mr Newbigging is a member of both. If you live there, your daily pint of milk probably comes from the Dairy Farm Company—chairman, Mr David Newbigging. If you want to drive around in style and buy a Mercedes, then Zung Fu will supply it. Mr Newbigging drives one himself—as well he might, being a director of Zung Fu.

When the Hong Kong budget goes through the Legislative Council, Mr Newbigging is sitting there listening to it. Delivering it is Financial Secretary, Mr John Bremridge, formerly Mr Newbigging's opposite number in the private sector as chairman of Fellow-Hong Swire Pacific.

Mr Newbigging is an imposing, formal man with a purposeful air, a hardy constitution and a formidable appetite for work. He gets into the office around 8.30 most days, and leaves perhaps 11 hours later. Four briefcases sit by his desk. At least two of them go home with him.

For just a slice of his life, try the afternoon of Friday, May 28 this year. He arrived in Hong Kong at 1.15 pm on a flight from Tokyo, where he had attended a meeting of Morgan Guaranty's International Council, on which he sits. At 3 pm he chaired a Jardines board meeting. At four, he met Mr Peter Williams, outgoing chairman of Hong Kong Electric — and former chairman of the Jockey Club. At 5.30 pm, Mr Newbigging was chairing Electric's annual meeting. An hour later, he was meeting Jardines's joint managing director, Mr John Heywood. By early evening he was flying to London.

For relaxation this spring, Mr Newbigging climbed the foothills of Everest.



Mr Donald Newbigging, chairman of Jardine Matheson since 1975, is closely involved in every area of Hong Kong's life through his many directorships

Colourful past needs repeating

WHEN Jardine, Matheson made the first public offering of its shares in 1961, the Hong Kong Police riot squad had to be called out to control the crowds besieging banks to withdraw money to apply for the issue. The offer was oversubscribed 56 times as investors scrambled for a stake in the trading conglomerate which they called the "Princely Hong".

The "Hongs" are the European-owned Hong Kong trading houses. Jardines, as its nickname suggests, has traditionally been the aristocrat among them. This week it comes of age, at 21, as a public company and also celebrates the 150th anniversary of its foundation.

Back in 1832, in the days when sailors in the region favoured a cocktail of "Canton gunpower," alcohol, tobacco juice, sugar and arsenic, William Jardine and James Matheson were two tough owland Scots whose most profit-Lowland Scots whose most profitable line was the running of contraband opium into China. When the Chinese cracked down on the trade and the Opium Wars began, Jardine and Matheson were powerful and canny enough to sway the British government into taking Hong Kong as part of the post-war settlement.

When Jardines went public, it disclosed profits for 1960 of HK$8m (£767,000). Porfits last year were HK$723m (£69m), and the group has 39,000 staff in 20 countries. Its interest range from South African hotels through liquor distribution in Japan to insurance in the United States, though two-thirds of its assets remain in Hong Kong and China.

The 150th anniversary celebrations began with a Chinese New Year fireworks display over Hong Kong harbour, watched by 2.5m people and climaxed this week with the annual meeting on Wednesday at which Lord Kadoorie, the grandest of Hong Kong's grand old men, paid tribute to the company on behalf of shareholders.

Jardines has class and shows it. Its executive offices are on the top floor of Hong Kong's most prominent building, Connaught Centre, and have an old-world charm of wood-panelled walls and white-suited waiters in attendance amid paintings and photographs of a century and a half of Jardine's men.

Like many aristocrats, however, it has found that class alone is not enough to maintain position amid parvenus with bigger bank balances and sharper teeth. So, in true aristocratic fashion, it married rich. It had a long and close relationship with Hong Kong Land, one of the world's largest property companies.

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THATCHER UNDER FIRE AGAIN ON FALKLANDS INQUIRY

Callaghan joins row over Cabinet papers

BY PETER RIDDELL, POLITICAL CORRESPONDENT

MR JAMES CALLAGHAN, the former Labour Prime Minister, yesterday joined Mr Edward Heath in questioning why Mrs Thatcher wants the proposed inquiry into the origins of the Falklands crisis to examine the papers of previous administrations.

Mr Callaghan's statement avoided the personal bitterness of Mr Heath's exchanges in the Commons with Mrs Thatcher on Thursday. But he was very critical of the Prime Minister's handling of the issue.

He said he had so far had no approach from Mrs Thatcher to examine the papers of his administration. "So I do not know her reasons for making such a very unusual request.

"Presumably, when Mrs Thatcher gets in touch with me, she will explain the reasons for her request and also invite my comments on the person whom she intends should conduct such a scrutiny of papers that are not hers. I shall give full consideration to what she says as I have absolutely no reason to prevent reasonable access."

Mr Callaghan repeated Mr Heath's question on why Mrs Thatcher wanted the inquiry to look back to the mid-1960s. He said: "The large correspondence I am getting from the public is not about what happened several years ago. I find the major concern is whether the present Government acted prudently and with foresight in the early months of this year to forestall an invasion of the Falklands and so save many lives, ships and aircraft."

In a BBC radio interview yesterday, Mr Heath suggested that Mrs Thatcher was trying to distract attention from the events immediately before the Argentine invasion. He is insisting on a fuller explanation of why Mrs Thatcher wants the inquiry to look back into the past.

Mrs Thatcher intends to write in the next few days to Mr Heath, Mr Callaghan, and Sir Harold Wilson, the former Prime Ministers affected, seeking their agreement, as a matter of courtesy, for access to their papers.

She believes the official papers of previous administrations, apart from the personal ones of a Prime Minister, are Crown Property, and that it is up to the government of the day to decide who has access to them. The general convention is that the current government does not itself have access, but determines who else can.

Whitehall has suggested that the Tory-nominated members will be a minority of the whole inquiry, which itself can determine how much emphasis to place on previous governments' policies.

Mrs Thatcher is seeing Mr Michael Foot, the Labour Leader, on Monday, and hopes to reach an early agreement on the establishment of the inquiry. The main differences remaining are about whether the inquiry should be set up by Parliament as sought by the opposition parties, or by the Government, as desired by Mrs Thatcher, and about the degree to which the inquiry should be concerned with the events just before the Argentinian invasion.

THE Falklands inquiry was mentioned in the Court of Appeal yesterday during the Department of Trade's appeal (reported elsewhere on this page) against a High Court order that it disclose 100 ministerial working papers for inspection by a judge.

Mr Simon Brown, counsel for the Department, told the court: "It has been confirmed to us by the Cabinet Office this morning that there is no question of Cabinet papers of a previous administration being made available to this administration. What is contemplated by the Prime Minister is privileged access by Privy Councillors for the specific, limited purpose of the Falkland Islands inquiry."

Disclosure fears discounted

By Raymond Hughes, Law Courts Correspondent

FEARS that disclosure to a High Court judge of ministerial and other governmental working papers might affect the efficient functioning of the Civil Service were discounted yesterday.

Mr Denis Henry, QC, told the Court of Appeal that if the Civil Service had such a fear, it was something it had lived with for some time.

The investigative powers of parliamentary standing committees, the Ombudsman and various inquiries, such as those into Rhodesian sanctions-busting and the Bank rate leak, had resulted in departmental documents occupying the public stage, he said.

He was concluding his arguments in opposition to an appeal by the Department of Trade against a High Court order to produce for a judge's inspection 100 ministerial working papers dealing with the formulation of government policy towards the British Airports Authority between 1977 and 1980.

The judge had reached the provisional conclusion that the documents were relevant to a pending claim by 20 international airlines against the BAA and the trade secretary over increased landing charges at Heathrow Airport.

The Appeal Court yesterday reserved its judgment on the appeal and on the airlines' cross-appeal against the judge's refusal to order disclosure of about 150 other, non-ministerial departmental documents.

Mr Henry, for Pan American and Trans World Airways, said that government was much more open now than it was 10 years ago.

The idea that the public service would be prejudiced by a judge inspecting the documents was "simply laughable," he said.

He dismissed a suggestion that if disclosure were ordered in this case it would open the floodgates to many similar applications.

This was a most unusual case, he said, involving an attack on the formulation of government policy.

If disclosure of ministerial documents could not be obtained in this case, it was hard to envisage any that would justify such documents seeing the light of day.

Lloyd's members advised to quit Howden-managed syndicates

BY JOHN MOORE, CITY CORRESPONDENT

A MAJOR UPHEAVAL is taking place on underwriting syndicates at Lloyd's which are run by Alexander Howden Group, the insurance broker. About 350 members of Lloyd's are intending to leave the syndicates, which have a total membership of 3,500.

R. W. Sturge and Co, one of the most powerful and influential underwriting agents at Lloyd's, is advising 150 Lloyd's members whose affairs it looks after to leave the Howden-managed syndicates.

Mr David Coleridge, chairman of R. W. Sturge, said yesterday that he had advised the members to leave the syndicates because of the submissions which had been made during the proceedings of the Lloyd's Bill in Parliament.

At the root of the upheaval is a public row between Mr Ian Posgate, the star underwriter of the Howden syndicates, and the Howden board. Mr Posgate gave evidence before Parliament which highlighted a series of abuses which can take place if Lloyd's insurance brokers have shareholding links with the management companies of underwriting syndicates, which they run. Mr Posgate's evidence was both crucial and damning and caused Parliament to accept that brokers should have by law to sell off their shareholding links.

Mr Posgate has been embattled with the Howden board for some time and resigned as a director of the main Howden board earlier this year.

Now underwriting agents fear that Mr Posgate will stop underwriting for the Howden agencies as he develops his own private agency company, Posgate and Denby. Sturge is advising its members to withdraw from the Howden syndicates, consistently the best performing syndicates at Lloyd's, although it is still maintaining its connection with the Posgate and Denby managed syndicates.

Sturge in the past has placed about 75 members of Lloyd's with syndicates under the management of Posgate and Denby.

Bellew and Raven Underwriting Agents has withdrawn nearly 200 members from syndicates under the management of Alexander Howden and Mr Ian Posgate's Posgate and Denby managed syndicates.

Prior sees some scope for reflation

By Peter Riddell, Political Editor

MR JAMES PRIOR, the Northern Ireland Secretary, yesterday defended a limited amount of government intervention in the economy to tackle the problem of high unemployment, while rejecting calls for large-scale reflation.

His speech, in Birmingham, was a rare intervention by him in the debate about economic policy and highlights how his views are more subtle than the popular distinction between "wets" and "drys."

Mr Prior made clear that he believed Britain's problems were too varied and too deep-seated for a large-scale general reflation to work. He also rejected the view of those who urge ever larger cuts in the public sector.

"The truth is that in a complex, industrial economy, any government is bound to end up disappointing those on the one hand who think that any public spending is bad and those on the other hand who think that the answer to every problem known to man is yet another government programme.

"Inevitably, therefore, the debate on economic policy must be about whether the right balance is being struck and whether the order of priorities is right."

Mr Prior said the Government must fully recognise that the onus lay with it in certain areas in economic policy. He urged a judicious mix of policies and, in particular, referred to the new Youth Training Scheme and various special employment and industrial measures.

Mr Prior said management also had responsibilities, especially in relation to the Youth Training Scheme starting in September 1983.

"A large part of the responsibility to provide the places and to help towards the cost of giving our young school leavers good basic training will rest with management."

Talbot blames Iran cash delay for shedding 450

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

DELAY BY Iran in making payments for a £150m deal for the import of car kits from Britain has forced Talbot to axe 450 jobs at two Coventry factories.

Talbot, UK subsidiary of Peugeot of France, said last night that full production for Iran could not start until payment was received for stocks still held at Newport Docks, South Wales.

Only one ship with about 10,000 kits has left Newport since the announcement in May of a new agreement with Iran following six months of tense negotiations. Export credits for a similar number of kits held at Newport have still to come through.

Talbot stressed last night it was confident about the long-term contract and that payments would be forthcoming. The deal—Britain's biggest with Iran—involves the export of about 70,000 car kits and replacement parts.

Talbot told Coventry shop stewards yesterday that, following a review of the stock position and production programmes for Iran, about 450 jobs would have to go to make possible an early return to full-time work.

Some 370 workers must go at the Stoke engine plant where most of the 2,400 employees have been on short time since October. The nearby Canterbury Street components factory must shed 80 jobs, or about 20 per cent of the labour force.

Talbot hopes volunteers will account for most of the cut. Shop stewards report pressure by workers for redundancy because of financial problems caused by the prolonged short-time.

● The diesel engine which has powered London taxis for many years went out of production yesterday when BL closed its Coventry Engines plant.

The company warned of the closure a year ago when the plant employed 1,500. Yesterday the figure was down to 600.

Thatcher will continue with science brief

By David Fishlock, Science Editor

THE Prime Minister will continue to hold the Government's science and technology brief, the Government says in a White Paper published yesterday.

The Government rejects the recommendation of the House of Lords select committee on science and technology for a minister for science

But the White Paper says the Government accepts the main thrust of the Lords' report—that government has a responsibility to secure an adequate scientific and technological input to policy-making.

It will strengthen the office of Dr Robin Nicholson, chief scientist both to the Cabinet Office and the Whitehall "think-tank."

Six new senior scientists are to be appointed at a cost of about £250,000.

Government Observations on the First Report of the House of Lords Select Committee on Science and Technology. Cmnd. 8591; SO, £1.65

Manx bank will reopen next week court told

By Anthony Moreton and Raymond Hughes

THE SAVINGS and Investment Bank, on the Isle of Man, will reopen for business next week, it was said in the High Court in London yesterday.

This follows a rescue operation launched by the Manx Government this week to save the bank, which had its licence withdrawn on June 25.

Counsel for the bank denied in court that it was unable to meet a cross-undertaking in damages it gave in March, when it was granted an injunction stopping St Piran, a member of Mr Jim Raper's Gasco Investments group, allowing two of its subsidiaries to dispose of any of their assets.

The rescue bid was announced by Mr William Dawson, the bank's treasurer, following a secret emergency sitting of Tynwald, the Isle of Man parliament, on Thursday.

A statement after the sitting said Tynwald thought the interests of the bank's depositors and creditors should be safeguarded. The Finance Board would negotiate with other financial institutions to guarantee temporary support to permit the early restoration of the banking licence.

The rescue proposal includes an undertaking by substantial depositors to defer calling for repayment, and an injection of funds from other banks. The government will guarantee the bank a facility if those two conditions are met.

The bank's problems emerged last month as a result of litigation between it and Gasco, in which each side sued over a £5.1m facility.

It was agreed in the High Court yesterday that the bank's injunction should be varied to allow the St Piran subsidiaries—South Crofty and Milbury—to operate their accounts with Barclays Bank in the ordinary course of business.

The court was told that Barclays felt that, unless the original order were modified, the accounts would have to be frozen, which could result in massive losses to the subsidiaries and St Piran.

Counsel for Savings and Investment Bank said it did not want to see South Crofty and Milbury in difficulties, because they were part of the security in the litigation between the bank and Gasco. And he said the bank would reopen for business next week.

The entire £1m capital of Savings and Investment Bank was owned until April 1 this year by Mayflower Investments, a Manx registered company.

At the beginning of April, the bank issued a further 4m £1 shares, 100,000 of which were acquired by Mr Archibald Lisle, the chairman, 100,000 by Mr Robert Killin, the managing director of the bank until two weeks ago and a director of United Guarantee (Holdings), and 800,000 by Mayflower. The remaining 3m shares were acquired in equal proportions by Fryers & Moroney, Moroney & Flick, and Flick & Fryers, of 26, Atholl Street, Douglas.

Tax staffs' union to expel organisers of Broad Left group

BY PHILIP BASSETT, LABOUR CORRESPONDENT

LEADERS of the tax staffs' union the Inland Revenue Staff Federation, are expelling the organisers of the newly-formed Broad Left group in the union, unless they renounce their membership of it or disband the group.

The drive against the Broad Left in the IRSF could be the first sign of a fightback in the union against the increasingly-influential groups which comprise Left activists as well as supporters of the Militant Tendency, the Socialist Workers' Party and other far Left bodies. Militant tends to be particularly strong in many trade union broad lefts.

The moderate IRSF leadership's strike against its Broad Left is an attempt to nip it in the bud. The political ginger group was only formed at the union's annual conference in May in Peebles.

The union's moderate-led executive committee decided on the expulsions at its last meeting after a bitter and heated debate. The Left's small but forceful presence on the executive was reflected in the 19-6 vote to suspend the five members of the Broad Left steering committee and the group's regional organiser in Cardiff.

The six members involved all received registered letters on Monday notifying them that their membership would be suspended after two weeks "until such time as either you provide a written statement to the effect that you have personally severed all connection with the Broad Left organisation, or satisfactory evidence that the Broad Left organisation has been disbanded and will not be revived in any form."

An internal union circular on the issue sent to the IRSF's 60,000 members states: "The Broad Left in the IRSF has been set up as an organisation within the Federation. In all but name it is an alternative union."

The issue arose when executive members complained about Broad Left circulars. These state that a Broad Left conference is to be held in Leeds on September 4 to discuss union organisation and structure, the election of officers, Broad Left policies, and a left-wing slate for elections to the union's executive committee.

The steering committee has also set up the group's own bank account, and called for a membership fee of £3, of which 50p would go to local funds.

The executive decided that these documents were in breach of the union's rules on the circulation of unofficial literature, and the formation itself of the Broad Left was in breach of another rule providing for the suspension from membership if members' conduct was prejudicial to the interests of the union.

The suspensions are automatic and will come into effect at the end of next week. One of those being suspended is Mr Des Bailey, vice-president of the union's Taxes section, a member of the SWP, and the union's leading left-winger. He will be replaced in his post by the union's leading right-winger Mr Frank Winrow, whom he beat in the election for the vice-presidency.

All six are appealing against the decision, though the suspensions will still be enforced while the appeal is in progress. In the first instance, the appeals will be made to a five-strong union sub-committee of union trustees and the past president. If, as is likely, the moderate group rejects the appeal, it will be put to conference next year.

Scargill sets deadline for NCB to halt closure

BY BRIAN GROOM AND JOHN LLOYD

MR ARTHUR SCARGILL yesterday set a deadline of four to six weeks for the National Coal Board to withdraw its propuposal to cease production at Snowdown colliery, Kent—or face national industrial action.

The form of action remains undecided, but the miners' president refused to rule out a strike. "I don't rule out any action at all with the coal board's present attitude," he said.

However, the new deadline represents a significant softening of his position. Mr Scargill had given the impression that yesterday's executive would call on the miners to take industrial action—though probably stopping short of a strike.

"If they continue to pursue their policy of partially closing that pit with the the loss of over 500 jobs, we are on a collision course," Mr Scargill said.

He suggested that the conflict over Snowdown could coincide with this autumn's annual pay negotiations.

Mr Scargill was speaking in Inverness after a meeting of the National Union of Mineworkers' National Executive. The union's annual conference opens there on Monday.

The coal board remains determined to continue with its plans to end production at Snowdown. However, the two management unions—the deputies' union Nacods and the managers' union BACM—have asked for the issue to go through the national disputes procedure.

That is likely to be exhausted before Mr Scargill's deadline runs out—although the board continues to delay initiating the procedure in the hope that the NUM will be associated with it.

Mr Scargill said he was confident the conference would endorse the executive's hard line on any pit closures or partial closures except on grounds of exhaustion.

Mr Scargill demanded that this year's pay talks be satisfactorily concluded before the November settlement date, or a special conference would be called, followed possibly by a ballot on a national strike.

Different motions on the conference agenda seek minimum wages of £110, £115 and £120 a week for surface workers, which would mean rises of 25.3 per cent, 31 per cent and 36.7 per cent respectively. The NUM's business committee will try to frame a composite motion.

The executive yesterday decided to oppose a motion proposed by the white collar Cosa section, calling for a two- or three-year pay deal.

Up to 1,000 jobs may go in Harland streamlining

BY OUR BELFAST CORRESPONDENT

HARLAND AND WOLF could cut its workforce by 1,000 to less than 6,000 over the next 18 months, to reduce the Belfast shipyard's overheads by a quarter, Dr Vivian Wadsworth, the chairman, said yesterday.

The state-owned company this week announced a four-point plan to lessen its dependence on public funds. It includes a contraction of the size of the yard leaving half of the present space unoccupied.

Dr Wadsworth said the attack on costs was underway and would mean 300 redundancies in the next three months. While a total of 1,000 jobs could go over 18 months, much depended on the company's workload.

The board was not prepared to do anything unless it could take the unions along with it, said Dr Wadsworth. He believed the unions shared the board's objective of securing as many jobs as possible.

"If we don't do what we are doing and make some economies we are going to lose the lot. It is really as simple as that."

The company was receiving £47m from the Government in the current year. Productivity was so low and costs so high that the shipyard had to look to the Government for support extending to about 40 per cent of the value of each ship ordered.

He had expected by now to be able to announce an order from a Norwegian company for two bulk carriers but the owners had deferred a decision for some months. British Shipbuilders' Govan yard on Clydeside had also tendered for the ships.

Chelsea reduces cost of first home mortgages

BY ERIC SHORT

TWO SCHEMES designed to help housebuyers meet the high cost of taking out mortgages were announced yesterday.

The first comes from the Chelsea Building Society and is aimed solely at first time buyers. Its First Home Scheme charges ½ per cent lower interest for the first five years on an interest only basis for this period. 100 per cent mortgages are available to avoid saving a deposit and the formula for calculating the maximum loan has been improved to three times main salary plus second salary, compared with the usual 2½ plus ½. The absolute maximum loan is lifted to £30,000 and the maximum term is extended to 30 years.

The second scheme comes from Baronworth, a firm of mortgage brokers based in Ilford. This enables housebuyers not only to take out 100 per cent mortgages, but to borrow a sum of up to 5 per cent of the mortgage to meet the various expenses involved

The bulk of the mortgage money will be advanced by a building society or bank, with the balance coming as a top-up mortgage from a life company. The normal rate of interest for mortgages will apply to the complete loan.

● New home loans raised from Burnley Building Society will cost a little more from the end of this year. The society is changing the way it calculates interest payments but existing loans will not be affected.

MORE UK NEWS ON PAGE 15

Injunction on Greenpeace

By David Fishlock

HIGH COURT injunctions against Greenpeace and its associates attempting to interfere with the dumping of low-level radioactive waste in the Atlantic Ocean were granted by Mr Justice Sheen yesterday.

Later this month, several hundred tonnes of slightly contaminated waste, sealed in concrete, is scheduled to be dumped in the sea. The work is carried out by the UK Atomic Energy Authority under a government licence, in accordance with internationally-agreed procedures and under international surveillance by the Nuclear Energy Agency of the OECD.

Economic diary for next week

TOMORROW: Aslef train strike due to begin. Presidential and general elections in Mexico. Trade Unionists for Labour Victory conference in Surbiton.

MONDAY: National food survey: report on household food consumption and expenditure for first quarter. Final May retail sales. Hire purchase and other instalment credit business for May. Provisional wholesale price index numbers for June. Housing starts and completions in May. Informal meeting of EEC Agriculture Ministers in Brussels (until July 6).

European Parliament in session in Strasbourg (until July 9). NUM conference opens in Inverness (until July 8). Mr Len Murray, TUC general secretary, meets union leaders who have health service workers as members in support of NHS strike.

TUESDAY: Provisional figures of vehicle production in June. Provisional estimates of monetary aggregates (mid-June). London clearing banks' monthly statement (mid-June). TUC steel committee sees Mr Ian MacGregor, BSC chairman, over steel cuts.

WEDNESDAY: Mrs Margaret Thatcher and Mr Francis Pym, Foreign Secretary, visit Italy for talks with Sig Giovanni Spadolini, the Italian Prime Minister.

THURSDAY: Mr Michael Heseltine, Environment Minister, attends Commission for Racial Equality conference on black business promotion at Grosvenor Hotel, London.

FRIDAY: Central Government transactions (including borrowing requirement for June. Opec oil ministers meet in Vienna.

Royal College of Nurses backs Whitley boycott

BY DAVID GOODHART, LABOUR STAFF

THE Royal College of Nursing has agreed to back the TUC health service unions' boycott of then next nurses' and midwives' Whitley Council meeting on July 9.

Miss Val Cowie, the secretary of the staff side of the council and the RCN's director of labour relations, and Mr David Williams, the chairman of the council and assistant general secretary of the Confederation of Health Service Employees, have agreed not to turn up.

Another meeting of the Whitley Council is planned for July 13.

The non-TUC affiliated RCN has accepted renewed talks with the Government following the fresh offer of 7.5 per cent for 490,000 nurses. But many members are keen to reject the new offer

The management side of the ancillary staffs' Whitley Council yesterday spelt out the details of their new 6 per cent offer to the NHS's 270,000 ancillary staff. They say the increase ranges from £3.54 to £4.79 a week—with average weekly earnings at about £104. They say the increase will cost about £58m.

Mr Ron Keating, a senior official of the National Union of Public Employees, dismissed the offer as "largely irrelevant" and said the real discussions were taking place with the Government.

He said that for 95 per cent of ancillary workers the offer would mean an increase of less than £1.75 a week. Mr Keating accused the staff side of producing misleading figures which did not make clear that 43 per cent of ancillaries were on the lowest grade.

Pay cut dispute halts ferry

BY OUR LABOUR STAFF

FOR THE second day running the Sealink ferry St George did not sail from Harwich to the Hook of Holland yesterday owing to a pay cuts dispute.

But a temporary solution to the dispute was worked out when management agreed not to introduce new articles of agreement until July 14. Services should be running today. The new articles, if accepted, will mean pay cuts of up to 28 per cent for 500 seamen at Harwich.

Mr Colin Crawford, shipping and port manager at Harwich, said: "We agreed to postpone the pay cuts until July 14 to avoid getting into a legal wrangle—but we are still determined to go ahead."

A Freightliner on the Harwich to Zeebrugge crossing was also halted yesterday by members of the National Union of Seamen. The union has promised full backing for any acti

Similar cuts have already been accepted at Newhaven in exchange for a no redundancy agreement, but at Harwich the no-redundancy agreement only applies until the end of this year.

Claims abandoned in pregnancy test drug case

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

THE limitations of scientific knowledge have forced the abandonment of two High Court test claims with echoes of the thalidomide tragedy.

The claims had been made on behalf of two children who, it was alleged, had been born physically deformed as a result of their mothers having taken a pregnancy testing drug, Primodos.

The damage claims were the first of a number made, in the UK and abroad, against Schering, the German manufacturer of Primodos, and Schering Chemicals, which marketed the drug in the UK. Primodos has not been marketed for a number of years.

Schering has always contested the claims, asserting that there was no connection between Primodos and the malformations suffered by the children.

In the High Court yesterday Mr Justice Bingham gave leave for the two actions to be discontinued—leaving open the possibility of their being revived if an extension of scientific knowledge throws new light on the problem.

He had been told by Mr Peter Weitzman, QC, for the two children, aged seven and 14, and their mothers, that it had been alleged that Primodos, which contained synthetic sex hormones had affected the foetuses during pregnancy and caused the children to be born with physical malformations.

For the claims to succeed it had been essential to establish that, as a matter of probability, Primodos materially increased the risk of malformed births.

At the outset the expert evidence appeared to suggest a reasonable chance of establishing such a causal link. But as the evidence accumulated, the plaintiffs were driven to the conclusion that they did not offer any real possibility of doing so.

Asking that the actions be discontinued rather than dismissed, Mr Weitzman said that it was an area of scientific study that was likely to continue to advance. The possibility could not be excluded that in the next few years new light would be thrown on the problem.

It would, therefore, not be fair to shut out the two children from the possibility of reviving their claims in the future, he said.

Mr Richard Rougier, QC, for Schering, asked the judge to dismiss the actions or great injustice would be done to Schering.

It was a case of enormous magnitude and importance in which Schering's reputation and conduct, and the soundness of its product had been impugned, he said.

The company had spent millions of pounds and many hours of research to find out on which side the scientific truth lay. It would not be right for it to have the possibility of the allegations being resuscitated hanging over its head for years, said Mr Rougier.

Mr Justice Bingham said the case suggested a comparison with the thalidomide tragedy. There was, however, an important difference. In the thalidomide case the question was whether the drug companies had been negligent in the manufacture and promotion of the drug, the judge said.

That issue also arose in the Primodos case. But there was also the serious issue, not present in the thalidomide case, of whether there was any casual connection between Primodos and the defects the children suffered.

The judge said he had considerable sympathy with Schering, which was confident it would succeed if the action went on. But because the plaintiffs were children, he would give leave for the actions to be discontinued.

That would make it possible for the actions to be revived, with the court's permission, if there were a scientific revolution in the future, he said.

But, the judge said, if that were to happen, the plaintiffs would have to make out a very strong case and the court would have to be satisfied that Schering would not be prejudiced.

THE WEEK IN THE MARKETS

Equities wait on the platform

LONDON

ONLOOKER

Anyone looking for action this week would have done best to visit the Centre Court. By yesterday in the equity market there was very much a sense of *deja vu*.

Valiant physical efforts to beat the rail and Tube strikes went unrewarded on Monday and flat trading set the pace for the week. The prospect of a damaging long-drawn-out rail dispute was accompanied by the latest trend inquiry from the CBI and the London Business School's economic forecast, both of which indicated that recovery in manufacturing had petered out.

Adding to the gloom was the continuing uncertainty over the direction of U.S. interest rates.

Happier news the following day that the NUR strike had been called off set leading shares rolling ahead and even the renewed threat from ASLEF did not immediately snuff the euphoria.

By yesterday the realities had begun to register, however, and the FT Industrial Ordinary shares index was showing its fastest movement of the week—downwards by 6.9 to finish 6.1 down on the week.

Thus the account staggered to a close amid the prospect of another damaging rail strike, with a further depressing economic forecast, this time from the Bank of England, to mull over, and neither Mr Reagan nor Mr Regan ready to take bets on the direction of U.S. interest rates.

However it was not all gloom. Sunlight Services fell on Johnson Group Cleaners with a £30m offer to make Johnson's shares, with a 47p jump to 266p against an offer value of 273p, shine brightly.

Rowntree, moreover, satisfied its appetite for something savoury after its failure to consume Huntley & Palmer. With £13.5m, an amount similar to the net cash raised from the sale of its H & P stake, it has taken 90 per cent of RPC, the Riley Potato Crisps and Sooner Foods group.

Meanwhile the paper and packaging concern Bunzl Pulp was still trying to unwrap a winning deal for printers Bemrose by lifting its offer by £2.31m to £16.12m. This was again rejected by the Bemrose board and Mr Robert Maxwell's British Printing and Communications Corporation nudged its stake up to the 15 per cent mark.

On the results front Avana proved that a diet of Robertson Foods a year earlier was good for its health as it lifted pre-tax profits 84 per cent to £10m for the year to the end of March.

Elsewhere the inactivity in equities and the softening of European interest rates benefited gilts which remained firm after early small gains, so that the Government securities index finished 0.75 up at 69.39.

GEC jamboree

A flood of good news from The General Electric Company this week worked through to keep the share price moving into high ground, lifting the market capitalisation to just under £5.4bn. GEC has now overtaken British Petroleum as the most valuable company on the Stock Exchange with a price today virtually 200p above the year's low point of 788p.

The electrical giant presented shareholders with quite a package on Thursday taking in a 23 per cent rise in pre-tax profits to £584m for the year to March, a 25 per cent increase in the dividend to 12.75p per share and an extra £82m cash payout (worth 15p a share) to shareholders. This payment represents the remaining balance on the share premium account dating back to the English Electric acquisition of the sixties.

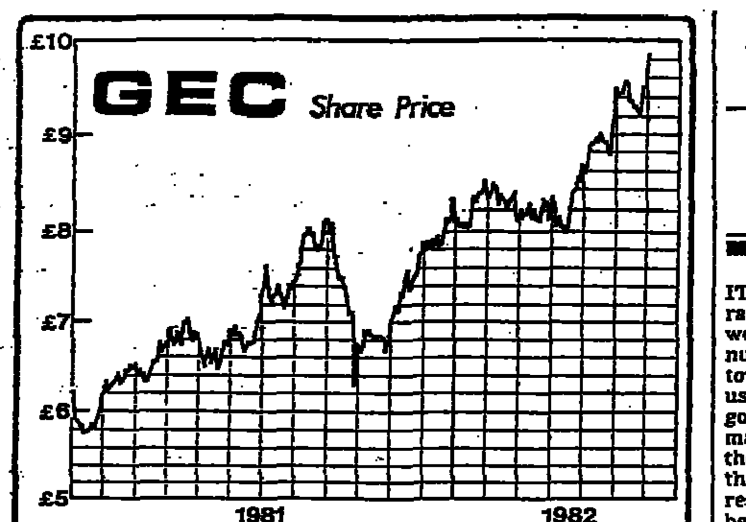
The full year figures displayed the now familiar pattern of GEC's strengths. Those areas exposed to the pressures of recession have shown their defensive abilities while those geared towards more active segments of the economy have pushed ahead unhindered.

The strongest area of growth has been electronics, automation and telecommunications where profits have jumped ahead by £50m to £210m for the year. Those parts supplying the defence and telecommunications industries have been the star performers of the division.

Moreover GEC seems to be taking a far more aggressive approach towards some of its more difficult trading areas. The small machines business of the industrial division has been reshaped (now it is the turn of the larger machines operation) and the gas turbine side has a promising new product. Averys has come in for some remedial treatment and capacity has been hacked back by two-thirds at Schreiber furniture which turned in a £6m loss last year.

Meantime the famous GEC cash mountain grows with exceptional vigour. Last year the increase was a staggering £375m to over £1bn. To a certain extent that figure has been inflated by a sharp rise in engineering orders which seemed to expand customer advance payments by nearly £70m.

Also the Government, through its various agencies, is paying its bills a lot quicker than 12 months ago. Even with the £82m which GEC is returning to its shareholders' pockets this year, the group is expected to keep piling up its bank balances. The market is left guessing as to what is on, or off, the corporate shopping list.



Minet waltz

Musical chairs in the insurance broking community. The St Paul Companies Inc, a major U.S. property and liability insurance group, decided to go down the London road in an effort to expand internationally. The UK company which it has decided will fit the bill, and which it has been stalking for the last year, is Minet Holdings, the fifth largest of the seven remaining independent quoted UK brokers.

This week St Paul added 10 per cent of Minet's shares to its existing holding of just under 5 per cent, giving it a total of 14.99 per cent. The latest holding acquired probably cost the American group around £13m.

St Paul could purchase more shares next week under City rules and may well do so. It said this week "while we may consider making further purchases of Minet's ordinary shares in the future, it is our intention to remain a minority shareholder." The group felt that Minet would be better if it remained independent.

But Minet's equity is already being mopped up by U.S. interests—Corroon and Black, a large U.S. insurance broker, holds 20 per cent of Minet and none of its shares have changed hands in the St Paul deal.

St Paul says that it has not developed any trading relationships with Minet and has asked for no seat on the UK broker's board.

There are many attractions for the U.S. group. Minet trades in over 100 countries around the world. It has wholly owned subsidiaries, majority or minority investments in about 30 countries. Its overseas companies contributed nearly 60 per cent of group pre-tax profits of £14.8m in 1981.

St Paul transacts a large volume of reinsurance business which it places into the London insurance market through Marsh and McLennan and Marsh's Guy Carpenter and C. T. Bowring companies. That business may well stop growing for Marsh as St Paul develops a closer relationship with Minet.
eight-match period et al erro

The U.S. is one of the world's slowest growing insurance markets, due to its maturity, recessionary influences and intense competition. Like the brokers there, other U.S. insurers may well look to the British insurance market, with its enviable foreign connections, to develop their business further. Exciting times are in store for the UK insurance community.

Flat S & N brew

Scottish and Newcastle's reputation as the problem company among Britain's major brewers was partly reinforced by its typically dull performance, announced on Thursday. The pre-tax profits for the 53 weeks to May 2, slipped 3 per cent to £32.2m and the company remained obstinately stuck on its seven-year profit plateau. Turnover was up 6 per cent to £620m, but the market signalled its displeasure with a 3p fall in the share price to 63p. The 10.4 per cent yield indicates serious doubts about the company's ability to make its figures froth.

There are mitigating circumstances for S and N's performance and a number of favourable shifts in the company's policy have been obscured. The main areas of operation in the North East and Scotland have been badly hit by the recession and the company was hurt more than most by the harsh winter. At the same time S and N suffers from dependence for 80 per cent of its beer business on the free trade, where it has to fight off other suppliers, rather than pumping it through its own tied estate.

The group gained three-quarters of its profits from wholesale beer and the wholesale beer division profits were static at £35.8m. In contrast the managed public houses and tenancies division showed profits down by 37 per cent to £6.2m, but the hotels division produced a sharp recovery from £600,000 pre-tax to £3.2m.

However, there are several straws in the wind suggesting that all is not gloom at S and N's club-like headquarters in Edinburgh. The management reorganisation in May is designed to make the company more responsive in its marketing. The cut in the total workforce last year by 3,500 should lead to improvements in productivity and labour costs this year.

For the first time since 1977 the company is a net generator of cash as capital spending has been restored to more suitable levels. Indebtedness is being held steady and the containment of borrowings in the second half is a good sign that this policy is being sustained. Gearing has been reduced from 33.6 per cent to 30.1 per cent.

S and N believes that these factors will lift it off its profits plateau. However, given its free trade dependence, such a take off needs a revival in the brewing industry's sales nationally.

MARKET HIGHLIGHTS OF THE WEEK

	Price y'day	Change on week	1982 High	1982 Low	
F.T Govt. Secs. Index	69.39	+ 0.75	70.40	61.89	Interest rate pressures ease
F.T. Ind. Ord. Index	543.0	− 6.1	594.0	518.1	Idle trading/Rail strike threat
F.T. Gold Mines Index	197.2	+ 6.1	302.0	181.2	Pick-up in metal price
AB Electronic	210	+13	218	113	Jaguar Cars contract
Avana	298	+13	300	240	Good annual results
BAT Inds.	415	−30	470	343	U.S. objection to Barclay brand
Bibby (J.)	275	+30	275	206½	Int. results due shortly
Braid Group	58	+ 7	58	34	Increased offer from Lookers
BP	274	−24	324	274	Prudhoe Bay stake reduced
Brotherhood (P.)	78	−18	146	78	Following annual report
De La Rue	447	−33	737	445	Selling/no support
GEC	985	+40	985	788	Results/capital proposals
Henlys	75	−13	119	75	Interim loss/passed dividend
Int. Timber	85	+ 5	92	78	Better-than-expected profits
Johnson Group Cleaners	265	+47	285	187	Bid from Sunlight Services
Kennedy Smale	165	+18	165	138	Merger talks with Chas. Hill
Minet	139	− 5	153	92	Fading bid hopes
OK Bazaars	675	+85	875	590	Firm domestic market
Tolux S.A.	575	+375	625	180	Partial offer from Stanbic
Trent Hldgs.	45	+ 5	49	20	Excellent preliminary profits

July 4th blues

NEW YORK

RICHARD LAMBERT

IT HAS BEEN a disjointed and rather unsatisfactory sort of week on Wall Street, with a number of special seasonal factors making it even harder than usual to work out what's been going on. For instance, fund managers have been dressing up their portfolios for the end of the second quarter, with the result that trading volume has been surging up and down and money market rates have been leaping about erratically.

There have also been two big Treasury offerings, which had quite an impact on sentiment over the short term: Tuesday's went well, but Thursday's was judged a disappointment. To cap it all came the build-up to the July 4 celebrations, and it was clear yesterday morning that quite a number of traders had already sneaked off for a long weekend.

Behind this fog of special items, the underlying trends do not seem to have changed much with share prices still being pulled up and down by movements in the credit markets. Long bond prices rose by a couple of points in the first half of the week, and yields edged back under 14 per cent. That was enough to push equities higher, too, but there seemed to be little real momentum behind the move and all the gains had been dissipated by Thursday night.

It was a suitably lame note on which to end a half-year period during which it had been possible to lose an awful lot of money on Wall Street. The Dow Jones Industrial has fallen by a bit over 6 per cent since the beginning of January, but that gives rather a flattering impression of the overall picture. The Nasdaq composite index of over the counter stocks has slipped by about an eighth over the period, while the American Stock Exchange — which has a relatively high exposure to the energy sector— has tumbled by more than a fifth.

So the fashion for investing in smaller, second line companies, which handsomely outperformed the big blue chips in the late 1970s, is looking a bit outdated.

Among individual industries, there have been some really spectacular losers. In the Barron's Group Stock Averages, gold mining shares have all but halved this year, while the steel, non-ferrous metal, building materials and machine tool sectors have all fallen by a quarter or more.

There have also been some big moves on the plus side. The airlines although still very depressed, do not seem to be heading for collective bankruptcy at quite the speed which seemed possible last winter: this index has bounced up by around 50 per cent since the start of the year. There have also been glimmerings of hope in Detroit, and the automobile sector has risen by over a quarter in the half year.

More recently, the emphasis has been on the sectors which might benefit from an improvement in the level of consumer spending. According to value line, the six best performing industries in the Stock Market during the last six weeks have been—cement, brewing, grocery, sugar, recreation, and soft drinks.

A reminder of just how tough things still are in some sectors of business came on Wednesday, when Xerox announced plans to cut the prices of a wide range of small- to medium-sized copiers by an average of 27 per cent. The copier companies are doing horrible things to each other at present: for instance, the latest promotion from the loss-making Savin Corporation promises a free Cadillac along with a few other little goodies to anyone who can buy a machine at a lower finance rate than it is offering.

Xerox's price cutting move was aimed particularly at Japanese importers, which have been making big inroads into the lower end of the market.

Monday	811.93	+ 8.85
Tuesday	812.21	+ 0.28
Wednesday	811.93	−0.28
Thursday	803.27	−8.66

Engine of growth misfires

MINING

GEORGE MILLING-STANLEY

THE MAJOR industrialised nations of the world may well have reached the trough of the present recession, but they are still bumping along the bottom and there are as yet no signs of any upturn.

That, at any rate, seems to be the general view of most economic commentators. Their caution is understandable, as many of their number were caught out rather badly recently, when they predicted a recovery by about the third quarter of last year.

This week, one man went out on a limb, and said that he believes we have already seen the lower turning point of the economic cycle, and the upswing has begun.

The speaker was Mr Lynne van den Bosch, giving his last presidential address to the Chamber of Mines of South Africa.

He went on to warn his audience that the recovery will be gradual, and the country's mining industry must expect to face severe difficulties for the rest of this year.

From next year onwards, Mr van den Bosch predicted, South Africa should be able to look to a gradual revival of the economy, in the wake of an improvement in mineral export earnings.

Certainly, the country's economy could do with a boost from its mining industry, which has for a long time been regarded as the engine of growth.

That engine misfired badly last year. The shock was all the greater for the fact that during the 1970s, the industry had been able to accommodate big increases in costs because the prices received on world markets for its products rose even faster than the prevailing rate of inflation.

This was especially true of gold and diamonds, which fared worst in 1981 among the country's wide range of mineral exports.

The happy situation of the 1970s was suddenly and dramatically reversed last year, as costs on the mines leapt ahead while mineral prices were experiencing some of the sharpest falls for many years.

Thus the value of mineral exports declined by 12.5 per cent to a total of R11.66bn (£5.9bn). Diamond sales led the way down, with a fall of no less than 38.5 per cent, while gold sales were off by 17.5 per cent. Platinum and copper were also poor performers.

There was some relief in the gloom, however. Mr van den Bosch pointed out that, helped by the decline in the rand and vigorous marketing efforts on the part of the mining companies, revenue from other mineral exports actually increased last year.

Coal did best among these other minerals, with the value of exports rising by 42 per cent.

It was not all bad news as far as gold was concerned, either. Mr van den Bosch said that the lower price and much steadier trend led to an increase of almost half in the amount of gold bought for use in jewellery manufacture.

Better still, this phenomenon has continued into this year, and it can be reasonably expected that the jewellery offtake during 1982 will rise to more than 800 tonnes.

This will be welcome news for Anglo American Corporation, South Africa's biggest mining group.

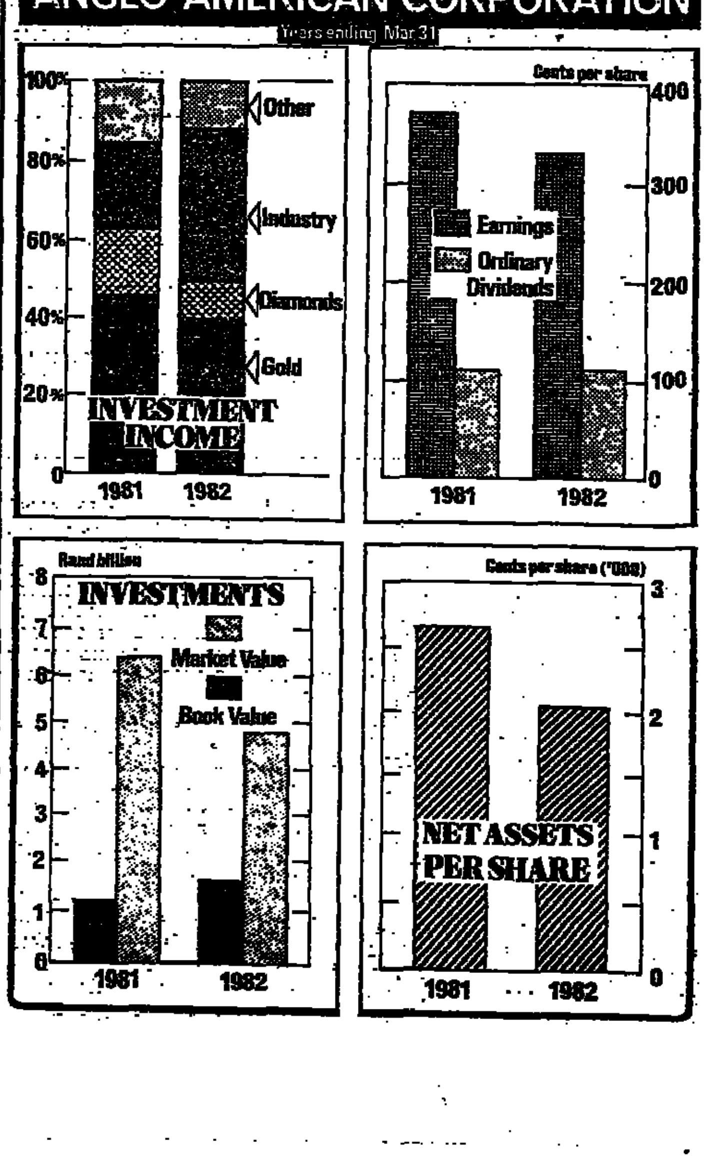
This week's annual report revealed that gold's contribution to profits in the year ended March 31 declined to 40 per cent, from 45 per cent the year before. Anglo would no doubt welcome a better showing this year from the yellow metal, which is vital for the general health of the group.

Diamonds have also traditionally featured as a mainstay of group profits, and here the fall was much steeper. Anglo's diamond interests contributed just 9 per cent of profits, down from 17 per cent in 1980/81.

Overall, Anglo's earnings last year were not that much lower, in spite of these falls. This was mainly thanks to the industrial interests and coal, both of which made good progress.

A glance at the accompanying illustrations should serve to reassure anyone worried about the group's financial position. Even on the reduced earnings, the maintained dividend of 110 cents a share is well covered.

ANGLO AMERICAN CORPORATION



SOME OPERATIONS have been resumed at Chile's state-owned El Teniente copper mine, which was closed on Saturday because of bad weather.

The Chilean copper group Codelco said that transport remains a problem and the mine's Andina division is still cut off after the weekend's heavy snow and rain which caused snow and mud avalanches.

It is not yet known when normal operations will be resumed and a further degree of uncertainty has been added by more rain and snow and forecasts of worse weather to come.

Codelco produces about 300,000 tonnes of copper a year.

YOUR SAVINGS AND INVESTMENTS—1

Rosemary Burr on a problem for shareholders

The pinch on income funds

THERE IS nothing in the Trades Description Act to prevent a so-called high income fund from cutting its dividend. All too often the terms high income, extra income and high yield are about as copper-bottomed as a plastic bucket.

Each year Premier Unit Trust Brokers of Bristol surveys the field of income unit trusts and puts them through their paces. Sad to say this year's report reveals that less than half the 76 income funds passed with flying colours in 1981.

Forty-one income funds actually reduced their pay-out to shareholders in 1981, five were unchanged and 30 funds managed to increase their dividends. Still, last year was arguably a tough test of any manager's skill as the recession continued to bite and even stalwarts of British industry felt the pinch.

More telling perhaps is the record of fund managers over the past three years. Premier has drawn up a list of funds which have increased their dividends at least in line with inflation and increased the capital value per unit at least in line with the increase in the FT Ordinary Index.

The brevity of the list is rather a sad reflection on the management skill a work in income funds. Barely 10 per cent of income funds managed to meet Premier's admittedly stiff objectives. The list of the seven inflation beaters where the offer price increased by more than 32 per cent from June 1, 1979 to June 1, 1982 is led convincingly by Stewart British Capital (income) which managed to boost dividends by 107 per cent over the period.

Premier now says three-quarters of the income funds are on its "black lists" including, however, some which it expects to clamber back into favour within a fairly short space of time. When asked to name names Premier is maintaining a discreet silence but just to indicate the range of performance the brokers quote the case of the minnow Nelstar High Income. This fund with 134 unitholders has halved its dividends over the past three years and an investment of £1,000 three years ago is now worth £860.

Less extreme examples are furnished by Arbuthnot. Thus Arbuthnot Extra Income has increased its dividends over the period by 8 per cent while the unit price decreased by 7 per cent. Arbuthnot High Income has managed an 11 per cent dividend hike and a three per cent fall in unit value. A similar fate has befallen Arbuthnot High Yield.

Among the funds that get the thumbs down from Premier are National Westminster Extra Income, London Wall Extra Income and London Wall High Income.

It seems that the performance of most of Premier's seven star funds is no flash in the pan. Premier has worked out a superlist for funds based on its annual rankings over the past three years. M & G dividend gets a special mention for consistently "turning up trumps."

Bracketed with M & G as dependable are Allied Hambro High Income, Framlington Income, G. T. Income and Schroder Income. Stewart British Capital, Unicorn Income, Henderson Income and Assets and Allied Hambro High Yield get an honourable mention.

As a general tip Peter Edwards, a partner at Premier says: "Don't go for too high yields. Unitholders should not be too greedy." Obviously it pays to look at the track record of the fund you are considering investing in. Edwards argues that "there are the good, the bad and the ugly here as everywhere else."

INCOME FUNDS

Fund	Current yield %	Increase in Dividend 1979-82	Increase in offer price (1.6.79-1.6.82)
Schroder Income	7.92	+42	+52
Stewart British Capital	5.86	+107	+47
Henderson Income & Growth	6.31	+61	+74
Abbey Income	9.22	+60	+37
Unicorn Income	6.44	+55	+43
M & G Dividend	8.94	+53	+32
Allied Hambro High Income	7.89	+51	+42
Retail Price Index		+50	
F.T. Ordinary Index			+32

Source: Premier Unit Trust Brokers

Taking on the taxman

CITY MERCHANT bankers Lazards are gearing up to take on the might of the Inland Revenue. At the centre of the dispute is the tax treatment meted out to investors in the £29m Lazard Sterling Reserve Fund, a Jersey based fund investing in UK money market instruments and gilts.

Under Jersey law the increase in the assets of the fund is treated as capital whereas such returns might be treated as income in the UK. The Inland Revenue relying on Section 478 which contains provisions for preventing income tax avoidance by transactions resulting in the transfer of income abroad, has issued assessments which treat the gain on an investment in the fund as income.

Mr Joe Fielden, vice-chairman of Lazard Securities, says: "We are going to defend the issue." He expects the case to go to the House of Lords, but argues it is important to clarify the position for investors. Lazard Sterling Reserve Fund has shrunk by two-thirds since the Inland Revenue sent a letter three years ago stating its plan to look at the possible application of Section 478 to investors.

At that stage the Inland Revenue only wrote to two sterling offshore funds, Lazard Sterling Reserve Fund, and Central Assets, then under Keyser Ullmann's wing, informing them of its interest. Both funds, in turn, told their shareholders of the Inland Revenue's letter and acting on the nod is as good as a wink principle other groups stopped actively promoting funds operating in the same way.

As Fielden argues: "The Inland Revenue, by writing one letter, has effectively achieved what would normally require a piece of legislation." The message for investors is that it is going to be a long haul but Lazard is willing to fight it out on its investors' behalf.

Houses and income tax

I would be most grateful if you could help me. I have Inland Revenue leaflets on the following subjects but I cannot make head nor tail of them.

Are two grandsons who provide a home for their 77-year-old grandmother eligible for tax relief on interest paid on a mortgage they pay on that property?

Does the "rent free accommodation" clause preclude any rate rebate on the grandmother's home?

Would the tax concession still apply (providing they qualify for it in the first place) if grandmother stayed with her sister (sick), for periods of up to three months?

If two or more people trade in partnership letting a house which they are buying on a mortgage OR a personal bank loan, can the income from lettings be offset against their personal taxation paid to them as employees? (Employed as teachers.)

Is it necessary for legal papers to be drawn up in case of such a partnership or can they just submit details of any income to the Inland Revenue themselves? (After informing the Revenue of their initial intentions?)

1—Yes, in principle. (See paragraphs 10 and 13 of booklet IR11).
2—Not necessarily.
3—Yes.
4—No (if we have correctly understood the question).
5—No (to the first part of the question), broadly speaking.

We recommend that you seek local professional guidance. Doing it yourself can prove a false economy in the property field, which is beset with pitfalls for the unskilled.

FINANCE AND THE FAMILY

BY OUR LEGAL STAFF

Child's income and grants

Referring to the practice for a parent to covenant income to a child at university to cover the parential contribution element in the grant and/or other associated expenses. I understand that if a child's income exceeds £345 per annum, his grant is reduced £ for £. Why, therefore, is this practice of covenanting not largely self-defeating?

My position, as a divorced father, is that I have a son whose normal residence is with me, and for whom I have effected such a covenant which seems to have worked satisfactorily. My daughter lives with her mother and is in receipt of maintenance payments of £18 per week under a court order. I am told that the excess over £345 will reduce her grant £ for £ when she starts at university this autumn. Would it not be sensible to have the court order varied so as to discontinue the maintenance payments to my daughter and to substitute for them a privately agreed covenant?

Since a covenanted annuity to an adult child is treated as the parent's own income for excess-liability purpose (i.e. for investment income surcharge and higher-rater-minus-basic-rate tax), it is not treated as the child's income for grant purposes.

If you would incur an excess-liability tax bill upon making the change, you must balance this disadvantage against the prospective disadvantage of the existing arrangements. There is rarely an ideal solution to tax-related puzzles, particularly those which involve anti-avoidance legislation such as chapter IV of part XVI of the Incomes and Corporation Taxes Act 1970.

Retirement relief

In 1966 Mr and Mrs A bought a house for £2,400. They spent £1,400 on modernising and converting it into two flats and after living in one of them, three years later bought another house and let both flats furnished.

Income from the lettings, net of expenses, was submitted by Mrs A's accountants as being her earned income, on the grounds that she provided services of cleaning, gardening etc., to the tenants of the flats. This was accepted by the Inspector, who has each year since allowed "wife's earnings relief" against the rental profit, eliminating any tax liability on it.

In July 1981, the effort of maintaining the flats having become too great (Mr and Mrs A were then aged 72 and 67 respectively), Mrs A sold the house for £21,800 net. To facilitate the intended sale, the larger flat had been unlet since the previous tenants left in April 1980, and the tenant of the smaller flat left in June 1981: as a result there was a net income loss on the lettings for both 1980-81 and 1981-82.

Do the Retirement Relief provisions of S.124 CGTA 1979 operate to exempt the part of the gain which falls outside the "main residence" reliefs? Does the Inspector's acceptance of the income as "earnings" mean that the house is a "chargeable business asset" as defined?

What income tax relief is available for the losses incurred in the past two years? Can they only be carried forward against future Case VI income? Or does the Inspector's treatment of the profits as "earnings" mean they arise from a trade, assessible under Case I and thus offsettable against other income (e.g. bank deposit interest) in the same year?

Whether the assessments have been made under Case I or under Case VI is simply a question of fact, which the accountants will know.

We can only say that, a few years ago, we suggested to an unaided reader (whose situation appeared to be broadly similar to your mother's) that she should put in a claim for retirement relief, since there was nothing to lose by doing so, although the bare facts which she had given us did not make her prospects of success look good on a strict interpretation of the law. She wrote back a few weeks later to say that her claim had been accepted, and that she had received a consequent CGT

A claim to inherit

A man living with his second wife died intestate and she was granted probate net £19,000. He was divorced from his first wife and they had a son. Have they any claim on the estate?

The first wife and son could have a claim on the estate under the Inheritance (Family Provision) Act, but what, if anything, they would be awarded would depend on the view a court took on the merits of their case.

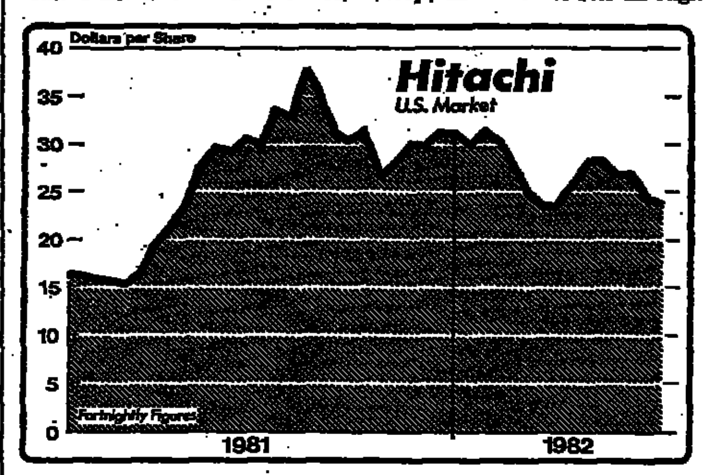
No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

The strange story of Hitachi, Mitsubishi and the FBI connection

John Makinson reports on how a scandal in California spread all the way to Japan

OVER THE past fortnight the Tokyo stock market has scented a whiff of scandal pungent enough to drive down the overall level of share prices. Yesterday the Nikkei-Dow Average dropped 94.51 points to 7,084.87, its lowest level since March.

On June 22, 16 employees of Hitachi and Mitsubishi Electric, two of Japan's leading electronics companies, were arrested in California and charged with paying almost £400,000 to an undercover FBI agent in return for the theft of IBM computer secrets. The Hitachi share price, which was standing at close to Y700 (160p) in mid-June fell through the Y600 level yesterday to close at Y567.



Late this week, reports began to circulate on the Tokyo market that other companies, perhaps in the pharmaceutical field, could soon be implicated in similar scandals, adding force to the pessimistic undertone of the market.

In more resilient times, shadows hanging over a small number of companies would probably not have had such a marked impact on the general performance of the Nikkei-Dow Average. But the market recently has precious little good news to go on and, in thin trading, overall investor confidence can rapidly be undermined.

Foreign investors, for example, are reported to be standing on the sidelines until the storm blows over and, if anything, making net sales of Japanese equities. Even the influx of new money on to the market in the previous week, resulting from the creation of investment trust vehicles, failed to produce a worthwhile rally.

Some signs have recently emerged, for example through department store sales, that the long delayed recovery in consumer demand has begun, albeit very slowly, but the investment picture is dominated by the troublesome strength of the U.S. dollar and the threat that this poses to Japanese interest rates.

The gap between short term yen and dollar interest rates has reached around 8½ percentage points, enough to apply sharp downward pressure on the yen when the domestic Japanese economy is losing its traditional growth characteristics. The Ministry of Finance is apparently reluctant to allow domestic rates to rise significantly, because of the effect this would have on the government's borrowing costs, but it may soon have little option.

The yen has depreciated by around 16 per cent against the dollar since the beginning of this year—it traded last week at roughly 255 to the dollar—but the boost which this would normally give to export competitiveness has been cancelled by the weakness of consumer and industrial demand in Japan's main export markets.

At the same time, the dollar-denominated commodities on which Japan is so dependent have been rising in value. The result has been that several former growth sectors, such as the Hi-Fi business, are undergoing their worst period for years. The market may now be cheap enough to encourage some buying among the recovery stocks, but not many investors appear convinced that the moment has already come.

Tax loophole closed

THE UNCERTAINTY over the tax status of "secondhand bonds" was ended last week.

Mr Nicholas Ridley, Financial Secretary to the Treasury, announced that the relevant sections of the Taxes Act would be amended so that life policies that are assigned will still be subject to the normal income tax charges, instead of the more favourable Capital Gains Tax charges.

Although the amendments to the legislation will not be made until the 1983 Finance Bill, they will be effective from midnight on Friday June 25 1982.

Thus there is no longer any tax advantage in buying a bond second hand from a third person—a tax planner or an insurance intermediary—compared with buying the bond direct.

But Mr Ridley's statement also implies that all second-hand bonds bought before the deadline will be subject to CGT only and that the amendments will not be applied retroactively, that is to future cash-ins of existing contracts.

Thus the controversy on whether it was morally right to market such bonds and whether indeed they did escape the income tax net has been resolved by this belated action by the Treasury.

But there are still two uncertainties over existing second-hand bonds that are unlikely to be resolved until next year's Finance Bill is published.

All bonds contain the option for investors to increase the value of the bond at any time by any amount. Will such future increases escape the changes and be subject only to CGT? If so, existing holders will have an extremely valuable asset. Secondly, the situation over interest free loans, an essential feature in second hand bonds, needs to be resolved.

SECOND-HAND BONDS

ERIC SHORT

The Life Offices Association expects to be consulted by the Revenue on the proposed legislation. Mr Michael Oppe, Secretary-General of the association said it would try to ensure that the changes achieved the immediate objective of changing the tax status of secondhand bonds without upsetting the tax arrangements for genuine assignments of life contracts. It would also seek to resolve the above uncertainties.

However, the statement last week made no mention of other forms of tax avoidance on life contracts, in particular the Capital Investment Bond from Skandia Life or the Capital-plus Income Bond from Merchant Investors.

These bonds provide tax-free investment on life bonds—by a highly artificial arrangement of term life contracts and a qualifying regular premium policy. These contracts have been discussed in detail in previous articles in these columns.

Tax planners and insurance intermediaries, who had looked forward to several months of business with secondhand bonds, are almost certain to switch their attention to these Capital Investment Bonds. They are not going to put their clients into other forms of tax planning when life contracts such as these offer more efficient tax avoidance and higher commission payments.

Skandia and Merchant Investors both state that they do not intend to alter their low key marketing stance on these products. But then they do not really have to. With a virutal monopoly of this tax efficient scheme, the planners will come to them.

Several other life companies, previously active in secondhand bonds, have indicated that they will be marketing Capital Investment bond style schemes as soon as possible. But since such schemes are administratively complex, the launch dates could be a few months away.

The Treasury needs to clarify this situation as it has done with secondhand bonds. Otherwise last week's action will turn out to be superflous.

Stamp of Royalty

"THE ULTIMATE gutter collection. "No, it's not an assortment of the back numbers of certain tabloid newspapers, but a description by Stanley Gibbons of its official firstday cover collection in honour of the Royal Baby.

This consists of 90 first day covers, 15 each from six Commonwealth countries: Nevis, Tuvalu, Kiribati, St. Kitts, St. Vincent and Mustique. The stamps themselves commemorate the Princess of Wales' 21st birthday but, taking advantage of happy coincidence, are overprinted with the words "Royal Baby."

In each collection, covers containing the top value stamps are "individually" signed by one of the artists. Where does the "gutter" come in? Postal authorities sometimes incorporate designs in the middle row of their stamp sheets rather than leave them blank, and the central stamps on either side of the separating margin are called "gutter pairs". All the stamps in the Royal Baby collection will be "gutter pairs."

The entire collection will cost you £198, 25 per cent over the face value of the stamps, but you can spread the cost over 12 monthly payments of £16.50. "In this promotion you have to buy the whole lot," says Mr Michael Allen, marketing director of Stanley Gibbons.

According to Stanley Gibbons Promotions leaflet "these collections will have a value far beyond any escalating monetary worth that may accrue to them in the future." If you are after "escalating monetary worth" then this is not for you.

As Michael Allen says: "We are very careful not to use the word 'investment' about this, and we're not selling it as such—its appeal is topical. I can't say that it will appreciate in value, but then all stamps are non-yielding assets that can go up and down in value."

Mr Michael Mayall, a philatelic expert at Sotheby's, explains why such collections, though suitable as a memento or gift, are not good investments: "There's such a vast interest in this sort of thing, and they sell so well, that it's never going to be scarce."

Dominic Lawson

Death wish

THE LAST thing you want to worry about when a member of your family dies is money. All too often the bereaved are drawn into a complex legal web which could largely have been avoided if a will had been made and information on the deceased's financial affairs were easily accessible.

Now Dauphin Publishing has come up with a form called the personal estate record which is designed to fill this information gap. The form is three pages long and space is provided to fill in details of professional advisers, bank and building society accounts, mortgages, pension, insurance, savings, investments, assets and responsibilities. There is also room for any additional facts you may wish to include.

Dauphin suggest you revise the form regularly, perhaps each year. It is also crucial to put the form in a safe place and tell your next of kin where you have placed the information.

Filling in the form is a useful exercise in itself. Unfortunately, few people have an accurate overall view of their financial affairs and the very act of writing down their assets may help improve future investment decisions.

Also included is an inset on the laws of intestacy in England and Wales. Dauphin argues: "Few people know these rules; in particular it is widely believed that the whole of a married person's estate passes to the spouse." This is only true if there are no children, parents or siblings.

The idea of putting all your financial particulars in one place is well worth adopting. However, it is best to make sure that the information is locked away securely—perhaps in a bank vault. Anyone with fairly diverse investments may find they need more space than that provided on Dauphin's form but at least they can record the essentials.

The personal Estate Record is available at £1 plus sae form Dauphin Publishing Company, 118A Holland Park Avenue, London W11 4PA.

Rosemary Burr

Taking French leave

David Marsh on the problems of moving you and your money abroad

ANYONE preparing to leave British shores to set up home abroad faces a number of intrinsic difficulties beyond those of finding a non-strikebound train or tube to travel to the airport.

One of the chief problems is undoubtedly financial. Moving to a foreign country — in my case, France — requires a certain amount of what Eurocurrency bankers euphemistically call "front-end loading." In other words, the chink of money has to be heard passing from hand to hand before basic services are provided.

This is where patience is needed. More than 2½ years after the ending of exchange controls, it is still extraordinarily difficult to send money out of Britain in cheques drawn on foreign currencies.

Midland Bank has announced a plan to issue Continental style Eurocheques in which the chosen currency can be filled in at the time of payment.

But until this sensible practice catches on, those without French franc bank accounts wishing to send cheques to obscure addresses in Paris to cover central heating maintenance contracts or furniture insurance will have to be content with the archaic system of bankers' drafts.

This normally requires several days' waiting if the remittance request is made through a branch office. If, as in my case, the process needs to be speeded up, two trips are necessary to Lloyds Bank International Division's offices in Eastcheap to enable the paperwork to be completed.

Now that cross-border banking is within the grasp of everyone in the UK, the solution to this type of bureaucratic entanglement seems to be simple: open a bank account in Paris.

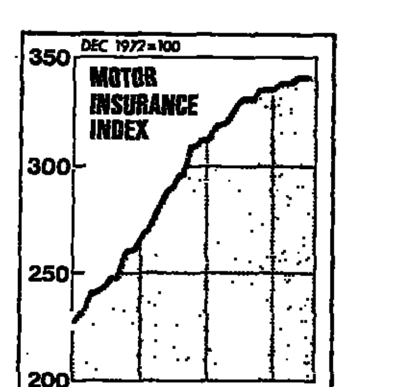
With the franc now the sick currency of Europe, French banks welcome foreign account holders with open arms. At the office of Société Générale my wife and I were instantly swept into a side office to receive an nerve-jangling dissertation on the range of accounts available.

Only one snag. While money could be paid in (preferably as much as possible), it seemed rather more difficult to take it out again, at least until the carnet de cheques arrived (which would take a week or so).

Under the sweeping exchange controls now in force foreigners intending eventually to leave France are advised to opt for "non-resident" bank deposits. Only foreign currency can be paid into these accounts but the money can be transferred out of the country again assuming there is any left.

Easier driving

BRITISH MOTORISTS have never had it so good for over a decade, as far as the cost of their insurance is concerned. Their premiums this year in many cases are the same or lower than last year — a welcome feature after a decade when percentage increases each year have never been less than double figures.



There are many reasons, but basically, insurance companies want to expand business in areas that look attractive. After a decade of high premium increases, the cost of insurance to the motorist can be at least £100. So the motorist is worth attracting.

Companies have set about this by first keeping their basic premium rates unchanged for as long as possible until losses become too high. In real terms this means a reduction in the cost of motor insurance.

They have made a detailed examination of the incidence of claims by geographical area and have cut rates in those areas where the number of claims is below average. They want to attract or keep the favourable business.

This situation is summed up by the announcement made this week by Sun Alliance, which has 200,000 motorists on its books. The company used to revise its premium rates frequently, sometimes three times a year in the 1970s. It changed its pattern after the April 1980 increase which it held to July 1981 and they lifted its rates by 7½ per cent—well below the then inflation rate.

When the anniversary arrived this week the company announced a freeze in rates which it hoped to hold until the new year, plus substantial reductions for motorists in several areas of Britain. For these motorists it meant that premiums in 1982 were lower than in 1980.

But Sun Alliance is not the only company to do this. Commercial Union passed its annual rise due on June 1, Guardian Royal Exchange that due on July 1. General Accident, the largest of all motor insurers, held its rates steady for two years before announcing a 6½ per cent rise on August 1.

The lesson for motorists is obvious—shop around for your motor insurance.

This may sound a daunting task for an individual on his own. But firms such as Quotel operate a motor insurance rates service to which insurance brokers can subcsribe. This service provides a complete list of premiums charged by all motor insurers, including Lloyd's syndicates, for the individual motorist.

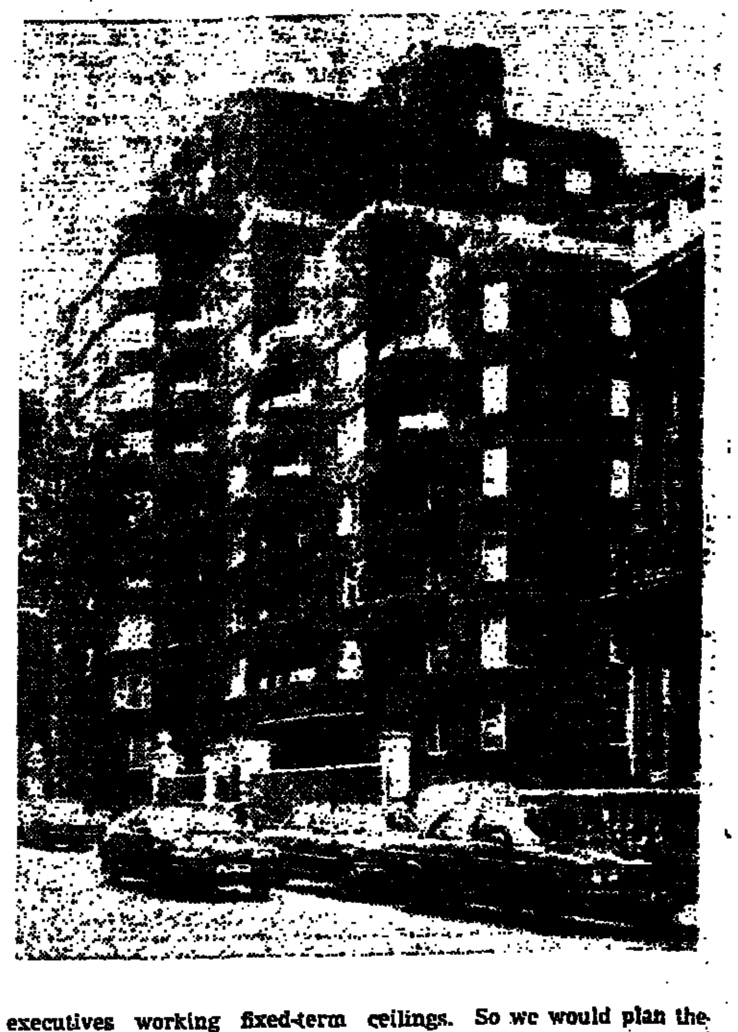
The insurance companies deplore this shopping around on the grounds that chopping and changing sends administration costs soaring and the motorist has to pay for these costs.

In this case one would expect the insurance companies to reflect this in charging lower premiums to those motorists who renew their insurance with them. But very few companies, the Co-operative Insurance Society being the most notable, give such a loyalty bonus. A rethink is needed by the companies.

PROPERTY

Rented rooms at the top

Below. Thorney Court, Palace Gate, London, W8, with views of Kensington Gardens and Palace, launched this week as a luxury furnished letting project, cost around £8m to build and £1.2m to furnish. Rent for 60 large one to four bedroom apartments plus two penthouses are £260 to £900 a week for periods from 22 days to a year. Architects John R. Harris, builders Costain Construction, and managing and letting agents Anthony Margo, Keith Cardale Groves. Left. Jacqueline Ironside and Pierre Fowell show how a space-wasting attic can be converted into elegant furnished accommodation, with fan lights and exposed wooden beams, providing better facilities for the tenant, and a higher rental and capital value for the landlord. Details Ironsides, 51 Beauchamp Place, London, SW3. (01-581 5877.)



"GOOD TENANTS rather than rich ones are the most desirable," Sir Ian Mactaggart, Western Heritable Investment Company's chairman admitted at the recent launch of a new penthouse built on the top of 55 Park Lane, London, W.1.

"Although I could not afford to live here," he says, speaking like a good Scot about the premises originally built by his Glasgow-based family firm around 1934, and points out that his own London home is in the more modest area of Pimlico.

To stay in one of the exceptionally stylish furnished Park Lane apartments costs from £300 to £900 a week for a year's let. But then the Oliver Messel Suite at the Dorchester next door is £380 a night, and "we do not usually reserve it for short visits," the management told me.

Western Heritable's three-bedroom penthouse complete with pleated silk covered ceilings, Wedgwood and works of art is already rented to a company for a family for three months. The rate is £1,300 a week as it is a short let.

Letting agent Miss Hilary Potter of Hampton and Sons, 6 Arlington Street, SW1, says the accommodation is ideal for business meetings and entertaining, and is likely to appeal to overseas or UK businessmen looking for a top-quality London base.

The international affluent businessman is also the target for Thorney Court, Palace Gate, W8, initiated this week as a luxury furnished letting project. It cost some £8m to build (by Costain Construction to the design of John R. Harris Architects), and £1.2m to furnish.

Rents for the 60 spacious apartments with their one to four bedrooms, some with views of Kensington Palace and Gardens, are from £260 to £900 a week for periods of 22 days up to a year. Funding has come partly through direct investment and partly by loans through the Royal Bank of Scotland.

Thorney Court Management Company, which holds the building on a 51-year lease from the freeholders, has been established to develop and supervise the undertaking, and managing director is Mr Ralph Carver, former chief executive of Earl's Court and Olympia, who now manages the Dubai Trade Centre with its exhibition interests and service apartments. Managing and letting agents are Mr Anthony Margo, Keith Cardale Groves, 43 North Audley Street, W1, who will send a brochure listing the amenities of the block which has underground car-parking.

Even in the less fashionably sited districts, private accommodation with out-of-date plumbing, well-worn carpets and shabby patched chintz, however reminiscent of former elegance, is just not acceptable any more in the higher levels of the furnished rental market.

"Modern bath and kitchen fittings, stylish furniture, certainly colour television, even video machines, stereo systems and saunas, are now the norm in quite average homes in exchange for a worthwhile rent," says Mr John Birch, chairman of the newly-formed Association of Residential Letting Agents. And most up-market lets are to overseas visitors, particularly Americans. They expect a high standard."

The aim of the association is to protect the public and to regulate itself in an industry which in Central London alone is estimated to be turning over more than £200m a year. With over 30 founder members, and 20 more under way, they will act as the market's watchdog for landlords, tenants and agents, with members able to draw on a pool of up-to-date information on general legal matters, current housing and taxation legislation.

The right management service is of particular importance too, insists Mr Birch, who runs Birch and Company, and has been personally involved in the furnished rental market for nearly 20 years. "This means regular inspections and pointing out that what might seem a trivial repair, ought, in our opinion, to be given immediate attention, rather than being left and allowed to develop into something more serious."

For a full management service Birch charges right the way through the tenancy an extra 5 per cent of the total rent. The initial commission is 10 per cent of the total rental for the first year or part year of a tenancy, reducing to 7½ per cent of the total rent if the tenancy extends into a second or subsequent year.

Most of the properties the firm handle are private homes, available while the owners are working overseas or in other parts of the country. "From a tenant's point of view living in what is someone's home is desirable because the property is usually furnished and equipped to a quality standard, as well as having 'home-like' ambience."

Landlord or tenant, if you want information, advice and a list of members, contact Mr Birch, The Association of Residential Letting Agents, Dorville House, 14 St John Prince's Street, London, W.1. (01-499 8802). Out-of-London members include A. C. Frost of Beconsfield, Bucks, and Mays Partnership of Oxshot, Surrey.

Several of the association's members will take on the refurbishment of a property for letting. Kathini Graham, 18 Montpelier Mews, SW7, in the business for 17 years, will organise a package of purchase, doing-up and renting out. Her recent listings range from a one-bedroom apartment in Gloucester Street, SW1, £80 a week for a year's let, to a five-bedroom, three bathroom house in Seymour Walk with a sauna and swimming pool, £2,500 a week for short periods.

Jacqueline Ironside of 51 Beauchamp Place, SW3, maintains that the unwarranted fears of private landlords concerning the Rent Act has led to a serious shortage of good quality property at the top end of the residential rental market. "This summer it is the top-end sector that is most in demand, especially for family accommodation with three or more bedrooms, at prices from £250 per week upwards. Good property up to £500-£600 per week is taken up immediately, particularly if it has a garden."

Miss Ironside insists that safe letting is possible because by far the largest proportion is to executives working fixed-term contracts. "This provides the guarantee they will leave the property, and in the majority of cases, the agreement is between landlord and the company for occupation by the employee. This puts everything on a professional rather than a personal level."

Jacqueline Ironside also works in association with architect and interior designer Pierre Fowell to offer a complete, cost-effective service to help owners provide more interesting accommodation. "By increasing the space available the rental and the capital value increases for the owner, and the rate becomes cheaper on a cost per head basis for the tenant.

For instance, Victorian buildings often have very high ceilings. So we would plan the new layout to take advantage of this, providing bedrooms with the dining and service areas underneath, installing modern kitchens and bathrooms in a design which fits the shape and form of the building—all within a space that might have only provided an apartment for one before."

Basement apartments represent a large proportion of the cheaper accommodation in London. "They often fail to take advantage of the garden. For example, the retaining garden wall could be removed, allowing a proper garden to be sloped or tiered down gradually. The result is an apartment with natural lighting and an attractive outlook for comparatively little cost."

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LEISURE

Meandering in Munich

TRAVEL

ARTHUR SANDLES

THE WOMAN in front of me asked for a lemonade. It was not perhaps the wisest of things to do.

But then the best stories should start at the beginning. So here goes.

I had caught the train from Munich to Herrsching, which is on the nearby Lake Ammersee. It was a baking day and the ride had been a pleasant one through the greenest of green countryside dotted with neatly maintained Bavarian houses and manicured pastureland.

My intentions of walking for the 45 minutes that it might have taken me to reach the Abbey of Andechs were overwhelmed by a desire for something cool to drink and a seat under some leafy shade.

So it was a taxi instead, and in a few minutes I was at the Abbey and in the queue.

Andechs is a Benedictine community which, like many of its counterparts elsewhere, has turned itself to the food and beverage trade for revenues. The monks brew a hearty dark stout and prepare an eye-watering strong cheese, both of which are served to the hundreds of visitors who pay them a call.

And the woman in front of me asked for lemonade.

It was clearly the funniest thing the staff had heard all day (the monks keep themselves to themselves, brewing and cheese-making in the privacy of their cloisters). But, amid the laughter, she got her lemonade. A litre of it.

My own timid request, for a weiss bier—made of wheat rather than barley, went almost unremarked although it was clearly not something that a self-respecting Bavarian would have bought there.

The journey to Andechs is a pleasant excursion into the German countryside, and at the Abbey there are numerous tables on a terrace with fine rural views. The tables can be used for picnicking, but you are expected to buy drinks. It is probably best not to go at weekends if possible, particularly in the summer when the battle for a seat can be a bit frantic.

Munich and its immediate surrounds tend to be visited en passant, if at all. Its airport is the gateway to the Alps and most tourists seem simply to wing in and wander on. Those arriving by car often find Munich's confused road system too great a deterrent.

In fact once you have reached the heart of Munich there is no need for a car at all. It is one of Europe's most walkable cities.

For the visitor who has only a couple of days to spare there would seem to be lots to do and see, even limiting oneself to a 500-metre radius from the Marienplatz, where Munich's Glockenspiel high in the facade of the Neues Rathaus entertains the crowds at 11 a.m. each morning.

It is difficult to know what gives cities their images. Visitors to France tend to try capturing a day or so in Paris; in Britain they indulge in a brief look at London; in Austria it is Salzburg, Innsbruck and Vienna which all attract attention, from even the transient visitor. German cities, however, tend to be driven past rather than driven through.

For some, such as Frankfurt and Bonn, this may be fair enough, but for Munich it is a tragedy.

For all its beer halls, excellent restaurants (try the Kaefer-Scheaenke for a fun evening out or the restaurant in the basement Ratskeller at the town hall for a good lunch) it would be difficult to recommend Munich for a week. For a few days, however, it is vastly superior to some of its foreign rivals.

The cultural and educational life of Munich is particularly lively. Last week I spent a splendid evening at the opera (book well in advance, out-of-town bookings have preference according to the locals) and another at a performance of chamber music at the Nymphenburg Castle.

But then I could have also consumed more sausage, walked more side-streets, strolled more shops, gazed at more paintings . . . and even consumed more Andechs beer.

Lufthansa and British Airways have regular flights—Lufthansa has first class and high quality tourist class, BA has its Club section.

There are several tours and it is worth while inquiring about the various Munich Keys, which are packages including hotel and a large range of local facilities including, for example, entrance to museums and art galleries.

Further information from: Lufthansa, 10 Old Bond Street, London W1. German National Tourist Office, 61 Conduit Street, London W1. DER Travel Service, 15 Orchard Street, London W1H 0AY.

Getting to grips

MOTORING

STUART MARSHALL

FOR YEARS, the tyre industry has been trying to reduce the number of different types and sizes the car industry compels it to make. Today, the situation is worse than it has ever been and is still deteriorating.

The latest nail in rationalisation's coffin is the fuel saving tyre — of which more in a moment. And a few days ago Goodyear announced that its tyres of tomorrow (it clearly means of the 1990s at the earliest) may come in a range of different hues so that motorists can colour co-ordinate their tyres and cars.

When I passed the glad tidings to my local tyre dealer, he groaned at the thought of a further complication and then brightened. "I shall," he said, "have retired long before they come on the scene and make this business dottier than it is today."

All tyres are black because they contain substantial amounts of carbon black, a superior kind of soot made by burning oil in a retort. It is there to make the rubber, which in its raw state is useful only for crepe shoe-soles, abrasion resistant. Nothing works so well as carbon black. But, as oil supplies run out, substitute chemicals will have to be found. Hence Goodyear's forecast of coloured tyres of the future.

Actually, a blue treaded mud-and-snow tyre was introduced in Germany not many years ago. Silica instead of carbon black was mixed with the tread rubber to make it grip better on ice. It worked; but on dry roads you could almost watch it wearing out.

But to the point. The fuel saving tyre has started to become the cause of much confusion to the industry, trade and, especially, the motorist. The industry can't agree on the best way to make a tyre absorb less energy and thus save fuel. Just as important, there is no standard method of measuring the saving that is meaningful to the customer.

Pirelli were first off the mark with a fuel saving tyre. Their P8 is fat (only 65 per cent as high as it is wide in cross section) which makes it so stable that springier, less power absorbing rubber compounds can be used without affecting its safety. Pirelli claim it can save up to 6 per cent fuel compared with their standard P3 tyre while actually improving handling, wet braking and mileage. I am trying a set on my Peugeot 305. It is too early to say if they are saving much fuel but the car rides and steers even better on P8 than it did on its original Michelin XZX.

Dunlop use a secret ingredient in the tread rubber of the new Elite tyre, which J. R. Ewing of Dallas tells us on TV is putting the oil barons out of business because it saves so much petrol. How much? By "up to 6 per cent compared with competitors' products," Dunlop say.

One could go on. To my knowledge, 10 different low rolling resistance tyres are either on the market in Europe (though not necessarily in Britain) or soon will be. Michelin's TRX-E will certainly be appearing on French cars in the near future. It is fat, like P8, but needs a special kind of wheel. Goodyear have an 80 series economy tyre, rather like the Elite but without the special tread compound which is, for the moment, Dunlop's exclusively. It will be on sale soon.

Uniroyal recently launched a medium low profile 70 series economy tyre. Firestone have gone the other way. Their low rolling resistance tyre, due out toward the end of the year, is a narrower than normal 85 series and has a belt made from a fibre called Kevlar (sometimes known as synthetic steel). It runs at higher than normal pressure. Firestone say this does not affect ride comfort because it is the volume of air inside the tyre that matters and the construction is different anyway. But wet grip problems have delayed its appearance.

Motorists should bear in mind that changing to a tyre with a claimed 30 per cent reduction in rolling resistance will not mean an equal saving in petrol. Consumption will be about 5 per cent less than it would have been on the tyre the makers are comparing their low rolling resistance version with. Nor does it follow that the economy tyre will be 5 per cent better than all standard steel belted radials. It might save more fuel than some, but less than others.

The tyre makers know how well their economy tyres compare with all their competitors' products but they will not share the information with buyers. Maybe it is time that they did. If not, compulsion could follow. After all, the car makers have had to declare urban cycle and constant speed fuel consumption figures for several years.

This five-door hatchback Alfasud Cloverleaf went into British showrooms this week at £5,550. It has a 1.5 litre engine and a high level of equipment. The 109 mph maximum is reached in fourth gear and there is a long-striding fifth for relaxed motorway travel. Roadholding and handling are up to the legendary Alfasud standards and corrosion protection is now good enough for a five-year rust warranty to be offered. Also new this week were a 1.3 litre version of the five-door Alfasud at £5,080 and the three-door 1.5 TiX, a £5,850 luxury edition of the Ti specially developed for Britain.

EDUCATIONAL

RESIDENTIAL PROPERTY APPEARS EVERY WEDNESDAY AND SATURDAY

HOLIDAY ACCOMMODATION

COMPANY NOTICES

THE PACIFIC FUND S.A.

société anonyme
Registered Office:
LUXEMBOURG, 14, rue Aldringen
Commercial Register:
Section B No. 7.825

NOTICE OF EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS

An Extraordinary General Meeting of Shareholders of THE PACIFIC FUND S.A. will be held at its registered office at Luxembourg, 14, rue Aldringen, on July 12th, 1982 at 10.30 hours for the purpose of considering and voting upon the following matters:

1) Alteration of the articles of incorporation by rewording the full text of such articles. Such text is published in the Memorial, Recueil Special C of the Grand Duchy of Luxembourg on June 25th, 1982 and is available for inspection:
   in Luxembourg: at the registered office of the Fund, 14, rue Aldringen;
   in London: at the office of Linklaters & Paines, 59, Gresham Street, London, EC2.

The shareholders' attention is called to the fact that such alteration entails the following significant changes:

a) The original language of the articles of incorporation, French at present, shall be English, the French version to constitute a translation.
b) The provisions regarding determination of net asset value, which at present are in general terms and call for regulation, shall be replaced by more specific rules. However, such amendment will not lead to a change in the principles of determination of net asset value applied so far.
c) The repurchase price per share, which is presently defined as being the net asset value per share, shall be such net asset value less such commission as may be decided by the board of directors from time to time. It is the intention of the board of directors that such commission, which will be for the benefit of the corporation, shall be fixed at 1% of the net asset value and will not in any event exceed 2% of such net asset value.
d) The date of the annual general meeting of shareholders shall be changed so as to be the second Friday in August.
e) The exclusion of U.S. persons, as defined, from being shareholders, is specifically regulated and a procedure of compulsory repurchase is instituted.

2) Extension by five years from the date of the meeting convened hereby of the period during which the board of directors is authorised to issue additional shares in accordance with the provisions of the articles of incorporation and the shareholders' resolutions authorising such issue.

Shareholders are advised that the quorum required at the Meeting is the holders present in person or by proxy of at least 50 per cent of the shares of the company in issue. In the event that a quorum is not present a second Meeting, at which there will be no quorum requirement, may be convened by further notice.

In accordance with Luxembourg Law, the Resolutions to be proposed on the above Agenda and at any second Meeting, will require the concurrence of two-thirds of the total number of shares represented at the Meeting.

In order to take part at the statutory general meeting of July 12th, 1982, the owners of bearer shares will have to deposit their shares five clear days before the meeting at the registered office of the Fund, 14, rue Aldringen, Luxembourg, or with the following bank:

—Bank Générale du Luxembourg, S.A., 14, rue Aldringen, Luxembourg.

THE BOARD OF DIRECTORS.

THE PACIFIC FUND S.A.

société anonyme
Registered Office:
LUXEMBOURG, 14, rue Aldringen

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

The Annual General Meeting of Shareholders of THE PACIFIC FUND S.A. will be held at its registered office at LUXEMBOURG, 14, rue Aldringen on July 12th, 1982, at 10.00 hours for the purpose of considering and voting upon the following matters:

1. To hear and accept the reports of:
   a. the directors
   b. the statutory auditor.
2. To approve the balance sheet and the profit and loss account for the year ended March 31st, 1982 and to consider declaration of dividend.
3. To discharge the directors and the auditor with respect to their performance of duties during the year ended March 31st, 1982.
4. To elect the directors to serve until the next annual general meeting of shareholders.
5. To elect the auditor to serve until the next annual general meeting of shareholders.
6. Any other business.

The shareholders are advised that no quorum for the statutory general meeting is required and that all decisions will be taken at the majority of the shares present or represented at the meeting with the restriction that no shareholder neither by himself nor by proxy can vote for a number of shares in excess of one-fifth of the shares issued or two-fifths of the shares present or represented at the meeting.

In order to take part at the statutory meeting of July 12th 1982 the owners of bearer shares will have to deposit their shares five clear days before the meeting at the registered office of the Fund, 14, rue Aldringen, Luxembourg, or with the following bank:

—Banque Générale du Luxembourg, S.A., 14, rue Aldringen, LUXEMBOURG.

THE BOARD OF DIRECTORS

TRAVEL

Marconi man

BY GEORGE MALCOLM THOMSON

Lord Reading: Rufus Isaacs, First Marquess of Reading, Lord Chief Justice, and Viceroy of India
by Denis Judd. Weidenfeld & Nicolson. £1? 316 pages

If it were not for one thing, the life of Rufus Isaacs would be the usual boring success story: fruit merchant's son, clever barrister, Attorney-General, Lord Chief Justice, Viceroy of India, Marquess. It is a glittering record of a long climb up a much-travelled hill, a more than average endowment of brains, industry, tact, ambition, and so forth. (All the more admirable because Isaacs, at a time when anti-Semitism was still prevalent in some quarters, was a Jew.)

But there was one fact which makes his career quite remarkable: he was involved, more than any other man, in the outstanding financial sensation of the Asquith government — the Marconi scandal. To have survived it, and gone on to win splendid prizes, is what makes Isaacs' career so extraordinary. It is rather as if Captain Dreyfus had come back from Devil's Island and gone on to command a French Army in 1914—except, of course, that Dreyfus was found guilty of treason, and Isaacs was innocent of any misdemeanour, personal or political.

He did not, however, escape the brush of calumny. Few men in British public life—certainly no Lord Chief Justice — have had vitriol thrown at them to equal—for venom and injustice—Kipling's poem, the last lines of which are:

Gehazi Judge in Israel
A leper white as snow.

What was the Marconi scandal? At a time when the Marconi Company was negotiating a contract with the Post Office, Rufus Isaacs had bought 10,000 shares in the American Marconi Company from a brother, who had got them from another brother, who was managing director of the English Marconi Company. Isaacs sold 1,000 of these shares to Lloyd George, the then Chancellor of the Exchequer. They used no special knowledge; they did not influence the contract; and, while hoping to make a quick profit, they lost money on the deal.

They had been guilty of great folly. Isaacs, as Attorney-General, should have known that. Worse was to come. Both Ministers denied any interest in the English Marconi Company, but they said nothing about their dealings in American shares. Greater folly! For the truth was bound to come out; and it did, when Isaacs (along with Herbert Samuel, the Postmaster-General) sued *Le Matin* for libel.

How on earth did Isaacs escape political ruin? For one thing, Opposition fire was concentrated on Lloyd George, the strongest Minister in the Government. Asquith, who had a great liking for Isaacs, decided that great folly was not, after all, a crime; and threw his mantle over both ministers—something Attlee would probably not have done. Then the two big legal guns on the Opposition benches, Carson and F. E. Smith, were briefed to appear for Isaacs and Samuel in the *Matin* case. In these circumstances they could not join in the Commons onslaught on the Ministers. In short, by a mixture of shrewdness and luck, Isaacs and Lloyd George survived. But it was a narrow squeak.

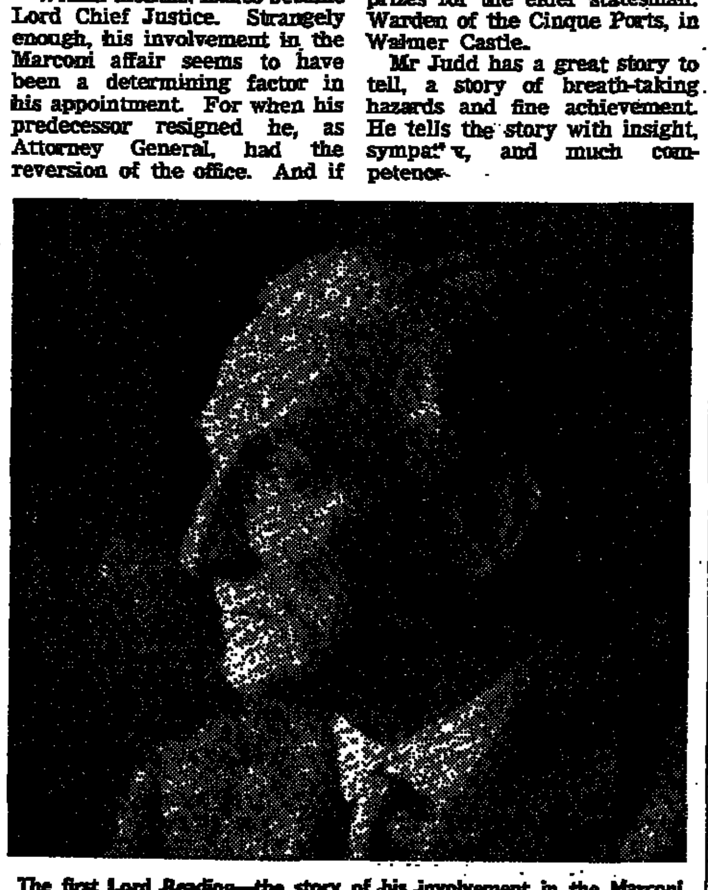
Within months, Isaacs became Lord Chief Justice. Strangely enough, his involvement in the Marconi affair seems to have been a determining factor in his appointment. For when his predecessor resigned he, as Attorney General, had the reversion of the office. And if Asquith had not appointed him it would have appeared to be an admission that there was a stain on his character.

What was the secret of Lord Reading's triumph over such troubles? Denis Judd skilfully sketches those qualities which Lord Beaverbrook in *Men and Power* stated concisely—great personal charm, brilliant advocacy (although a "prosy" speaker); tact. He was a man whom everybody loved, even political foes. With his immense legal knowledge, he was also a wonderful counsellor for worried statesmen.

In earlier days, the young rake of Belsize Park, the "hammered" stock jobber, the ship's boy on the Rio run, became an industrious student of law at the Middle Temple. The Bar, he said, "is never a bed of roses. It is either all bed and no rose, or all roses and no bed!" He did not ask for a bed. In due course, the roses came, in a shower. Then politics beckoned.

Where did it end? After being a humane judge and a wise Viceroy, he won the most prestigious of all consolation prizes for the elder statesman: Warden of the Cinque Ports, in Walmer Castle.

Mr Judd has a great story to tell, a story of breath-taking hazards and fine achievement. He tells the story with insight, sympathy, and much competence.



The first Lord Reading—the story of his involvement in the Marconi scandal is told in a new biography reviewed today.

Bligh and Co. leave the 'Bounty'—detail from an engraving in 1790 by Robert Dodd reproduced in 'Bligh' (Duckworth) by Gavin Kennedy. Mr Kennedy has now edited the authoritative account of the Mutiny by Sir John Barrow reviewed today.

Bread-fruit Bligh

BY A. L. ROWSE

The Mutiny of the Bounty
by Sir John Barrow, edited by Gavin Kennedy. Kudos and Godine, £8.95, 208 pages

Bligh of the *Bounty*, like his contemporary the Duke of Wellington, has been much exposed to authors. Scores of books and articles have been written about him—more than he deserves, for all that he was a first-class naval officer and an upright fellow. Too upright, we may say, for the fatal defect that not one of these authors mentions is that Bligh had not the ghost of a sense of humour.

Bligh was a Cornishman, and the Cornish have an odd sense of humour, if at all. Other characteristics are recognisable: he was a bit of a martinet, who expected good discipline; but was very irascible and sharp of tongue when enraged beyond endurance. It should be added that he was a simply wonderful navigator. He had a very full career, of which the episode of the *Bounty* was only a fragment—but it has arrested the attention of the world, and still exerts its fascination. In his own time Bligh was known as "Bread-fruit Bligh," for the object of the *Bounty's* voyage was to collect bread-fruit plants to improve food supplies in the West Indies. On a second expedition Bligh performed his mission with complete success.

What went wrong on the first?—so that today Bligh has become almost a folklore figure: "Bligh of the Bounty."

Mutiny was a familiar enough phenomenon in the 18th century. I agree with the editor that, considering the appalling conditions on board ship, the wonder is that there were not more mutinies—and in fact, only a few years after the Bounty affair, the whole North Sea fleet went on mutiny at the Nore.

Far too much of a mystery has been made of the outbreak on the Bounty arising like a sudden storm at sea, in circumstances that made it easily understandable. Of the various accounts, that of Sir John Barrow, the reliable civil servant at the Admiralty, is completely dependable, judicious, and fairminded. This has now been abridged, with useful footnotes, admirable illustrations, maps and charts, made more readable for an American audience by Gavin Kennedy, author of a biography of Bligh.

It is the circumstances surrounding the voyage that partly account for the fascination—Bligh's marvellous feat of navigation in piloting his 18 men in a small open launch nearly 4,000 miles, from somewhere near Fiji—where they were set adrift by the mutineers—to Timor in the Dutch East Indies; landing them as he had planned, without a life lost, though all were starving. It was a triumph of expertise, will-power, discipline; Bligh was justified in having a good opinion of himself—one of his traits that gave him trouble with others, by the way.

Then there is the astonishing story of what happened to the mutineers in their hide-out on inaccessible Pitcairn Island. The core of the mutiny was one-third of the Bounty's complement, 11 out of 44; but they were armed, took the rest by surprise, led by Fletcher Christian, the ship's mate, an emotionally disturbed type who turned against Bligh. Bligh was exasperated by the inefficiency of his under-officers, with no marines to keep order, a surgeon continually drunk, who finally passed out.

The nine who eventually made Pitcairn with their Tahitian women were, by murder and suicide, eventually down to one man, who created and procreated the colony there. *That* is another astonishing story.

Not much is known about Bligh's family background in Cornwall, and the editor does not get it right. Bligh did not come from a family of gentry, though there was another Admiral in the clan who had worked his way up from the bottom. Bligh's father leased the Duchy farm at Tinten near Bodmin, though the boy was baptized at St Andrew's, Plymouth—that church of many memories.

An extraordinary mix-up beneath the portrait of the 2nd Earl Spencer, First Lord of the Admiralty, tells us that "in 1817 he became the 5th Duke of Marlborough—the great-great-grandfather of Sir Winston Churchill"! This is rubbish: the Earl and the Duke were entirely different persons.

Down in flames

BY MICHAEL DONNE

To Ride the Storm: The Story of the Airship 101
by Sir Peter G. Masefield. William Kimber, £15.00. 560 pages

One of Britain's most exciting Imperial dreams—of a great network of airship routes linking the Empire—came to an abrupt end early on a wet and stormy morning on October 5 1930 when the R-101 airship crashed into the Bois de Coutumes, near Beauvais in France. Among the 48 who died were Lord Thomson of Cardington, the Secretary of State for Air, and Sir Sefton Brancker, director of civil aviation. Only eight people survived the crash and two of those died later.

The craft, the biggest airship developed to that date, was intended to be one of a number that would link Britain with the rest of the world by air. Indeed, on its fateful journey from the Cardington base where it had been built, the craft was en route to India on its maiden voyage.

But when R-101 nosed into the ground in France, more than the Secretary of State for Air and his entourage died. With them went any hopes of a major Government-financed airship programme. The airship as a viable and safe vehicle for aerial transport fell under a cloud, the Government gave up its plans, and although other private ventures struggled on, they too eventually succumbed under the combined pressures of public indifference, if not outright hostility, and the steady growth of fixed-wing aeroplane services in the colours of Imperial Airways.

From 1930 to the present day, the airship has remained little more than a gleam in a few designers' eyes, and while some valiant efforts are even today being made to try to put the airship back onto the map of world aviation, it is doubtful if they will ever really be able to challenge the massive competition from the fixed-wing aeroplane.

What went wrong with the R-101 is the subject of this most scholarly work by Sir Peter Masefield, who has himself been for long one of this country's most devoted advocates of civil aviation. His own long career is extraordinary—as an aviation writer, Civil Air Attaché in Washington, director of long-term planning at the Ministry of Civil Aviation, chief executive of British European Airways, managing director of Bristol Aircraft building the great Britannia airliner, chairman of the British Airports Authority, chairman of the Royal Aero-Club, and chairman of the Imperial War Museum, and a past-president of the Royal Aeronautical Society.

Such a distinguished career in aviation has admirably equipped him for his task in unravelling what really was wrong with the airship programme of the 1920s and what went wrong with R-101 in particular. His conclusions are startling: he believes the R-101 could have been saved, even while descending to its fatal crash in the forest. But when the crew discovered that, because of the storm, there was a split in the outer cover of the airship, they reduced speed. Had they increased speed, the craft would have risen, and a more controlled landing made later.

Even as it was, the craft might have been saved, had it not been for the fact that there were some calcium flares in the control car which burst into flames when they came into contact with the wet ground in the crash—thus causing the fire which rapidly destroyed the craft.

Sir Peter's analysis is masterly, supported by his own immense technical knowledge. His book is immensely readable, and it must rank not only as the definitive work on the R-101 and the British airship programme, but also as one of the most definitive studies of all airship activities anywhere.

Faring forward

BY DAVID PRYCE-JONES

A Traveller's Life
by Eric Newby. Collins £8.95, 302 pages

Poring over a book of early Victorian illustrations of the Ottoman Empire, Eric Newby concluded that he had been born 100 years too late. He might have been another Burton, a Burckhardt, or ridden like Colonel Fred Burnaby on horseback through Central Asia. In fact his life has proved quite as gloriously adventurous as anyone's—and let the times go hang.

In the week of the Munich Agreement, when he was 17, he volunteered for the crew of a Finnish barque, sailing from Belfast for a cargo of grain from Australia. And "Op the rigging!" shouts the second mate to the brand-new hand, and op he has to go, removing his shoes and socks for a safer hold on rotted ratlines, to the top of the yards, with a drop of 200 ft below. After an initiation like that, the world can hold few terrors.

Once into the war, he was fittingly recruited in Alexandria into the new Special Boat Section, by an officer who sported a notice on his desk, "Are you tough? If so get out. I need buggers with intelligence."

As intelligent as he was tough, Eric Newby was the very man wanted. Perhaps the most dazzling and evocative of his chapters describes how he and three others were then detailed to map the shore-line of Lebanon with a view to future clandestine operations. Blowing up German bombers on a Sicilian airfield in 1942 was less successful. He was captured, nearly put against the wall to be shot, but imprisoned instead until Italy dropped out of the fighting. Then he escaped into the Apennines (happening to encounter on his way a woman he fell in love with, and whom he afterwards married). Recaptured, he experienced unsavoury camps deep in the Third Reich.

Postwar exploits have included sailing with his wife down the Ganges, walking through the Hindu Kush, bicycling from Wimbledon to Tuscany ("I bought a large wound-dressing from a *droguerie* for my bottom, which now had more than one hole in it"), and claiming his fair share of deserts and Bedouin. Not that he relishes hardship for its own sake. Far from it, he has an eye for old-fashioned grand hotels, for good food and pretty girls, for historical associations and sites, and indeed enything well wrought by the hand of man.

No escapist either, but a hard worker who served stints on the home front in the family firm of Lane and Newby, wholesale costumiers and mantle manufacturers, and who once rose to be model gowns buyer for Peter Jones, even a partner there.

His parents, about whom he writes with deep affection, brought him up to take for granted their late-Edwardian security, in which there was scope for every individuality and quirk. His mother seems to have spent as much of the day as possible in Harrods, so that the Ladies Retiring Room there is recollected as though it had been a corner of the Garden of Eden.

Since nothing in this past has had to be repressed, or deserved to be forgotten, he has always been able to make the best of the present. Who but an ingrained optimist would have spent his spare time exploring the London sewage system, walking the entire length of Broadway in the dawn, or shooting big-game with an Indian prince known as Owly, who saved his life from attack by an infuriated bear and in return asked for the Christmas bumper issue of Dog World?

So many autobiographies are a matter either of whining or concealed boasting that it seems unusually exhilarating to read one like this, composed out of human curiosity and humour and strength and happiness, in an altogether free spirit. He is a giant in the land.

APPOINTMENTS

Dowty group changes

Mr Maldwyn Davies, recently general sales manager—NCB at Dowty Meco, Worcester, has been appointed executive director—exports at DOWTY MINING EQUIPMENT at Ashchurch, Glos. Mr Stephen Lister, previously commercial controller of Dowty Mining Equipment, has been appointed executive director—commercial of that company. Mr Mark Glossop, technical director of Dowty Meco since 1980, is now UK sales director. He is succeeded by Mr Andrew Walker, previously executive director—technical with Dowty Meco.

*

Mr John "Don" Perry, industrial editor of the Sunday Express, becomes head of worldwide information services at BRITISH AIRWAYS in September following the retirement of Mr Alan Ponsford.

*

Mr C. I. Hall has been appointed managing director of CRESSALL MANUFACTURING COMPANY, which incorporates the engineering division of the Astra Industrial Group. Mr Hall takes over the managing directorship from the group chairman, Mr D. G. Dukes.

*

Mr I. C. Campbell has retired from his executive duties as group personnel director of SCOTCROS, but remains a member of the board in a non-executive capacity.

*

Mr Dudley Parry has been appointed managing director of Sheffield-based TECALEMIT CHADWICK, member of the Tecalemit UK group of companies. He was director and general manager of J. T. Chadwick.

*

Mr Hans Hellspong has been appointed executive director of the new AXEL JOHNSON STEEL divisional board, which will be responsible for Alloy and Metal Stockholders recently acquired by A. Johnson and Co. (London). Mr T. Bendham and Mr C. Ford will continue to direct Alloy and Metal's activities in steel stockholding, processing and distribution and with Mr J. R. Blackburn will be appointed to the Axel Johnson Steel board. Mr J. G. Mardon, managing director of A. Johnson and Co., will become chairman of the board.

*

APV PARAMOUNT is making the following appointments from July 1: Mr L. H. S. Halling, managing director, will become chairman of APV-Paramount, alloy-steel foundry subsidiary of APV Holdings. He replaces Mr P. B. Hamilton, chief executive of APV Holdings, who remains a non-executive director. Mr A. C. Dennis, deputy managing director, has been appointed managing director. Mr R. F. Atkinson, technical manager, has been appointed to the board as technical director.

Mr Terence David Ward has been appointed marketing manager, aerospace and defence, by FAIREY HYDRAULICS, a member of the Fairey Holdings group of companies. He was sales manager for M.L. Aviation.

*

Mr Peter Morrison, former deputy managing director of BPCC, has been appointed a director of THOMSON INFORMATION SERVICES, holding company for Thomson Magazines, Thomson Data, and Thomson Directories. He takes up his appointment on July 5.

*

Mr John Davies, formerly managing director of C.I.S. Insulation, and Mr Richard Heath, formerly managing director of Securistyle, a member of the Thornville Group, have joined the board of ADEPTAL, a member of the B.P. owned Amari Group. The reconstituted board has Mr John Davies as managing director, and Mr Richard Heath as commercial director.

*

Mr Len Cornthwaite, managing director of ASEA, has been appointed to a new position in the group, with special responsibility for creating business opportunities in the oil and gas industry. He will remain on the board of ASEA and will take up his new duties on September 1. Mr Eric Drewery, who has been managing director of the rotating machinery division of Mather and Platt since 1978, has been appointed managing director of ASEA from September 1. He will also be chairman of Asea Service, Ellesmere Port.

*

INTERNATIONAL MEXICAN BANK has appointed Mr Jose Mendez Fabre as deputy managing director in place of Mr Jaime Chico who has completed his secondment period and returns to Mexico City.

*

AVIS vice-president Mr Tom Swartele has taken charge of the car rental company's operations throughout Europe, Africa and the Middle East following a two-and-a-half-year period as marketing vice-president for the Avis EAME division. Additionally, he takes on line management responsibility for Avis operations in Ireland, Israel and Scandinavia, as well as particular responsibility for the management of Avis Car Leasing in the UK, Sogen Avis in France and the Kenya Rent a Car Company coupled with a further role of executive liaison with all other Avis joint venture operations within the EAME division.

*

E. R. SQUIBB AND SONS INC has appointed Mr J. Michael Sheasby as vice-president, finance and planning for Squibb Europe. He was formerly chairman of RCA Limited, UK and managing director of RCA Group Administration.

Fiction

On the bottle

BY ISABEL QUIGLY

A Prodigal Child
by David Storey. Cape, £7.50. 319 pages

Field of Honour
by Timeri Murari. Eyre Metheun, £7.95. 318 pages

Flashman and the Redskins
by George MacDonald Fraser. Collins, £7.95. 479 pages

The Prodigal Daughter
by Jeffrey Archer. Hodder and Stoughton, £7.95. 447 pages

The first half of David Storey's *A Prodigal Child* is as good as anything he has written. The situation is a recognisable one, treated so unforgettably by D. H. Lawrence that any further treatment of it is bound to be in his shadow. It is a measure of Mr Storey's stature that he is not diminished by the comparison. A couple with a young child are just pulling themselves out of the abject poverty of their background into a council house; with respectable neighbours, a productive garden, a steady job. All this is threatened by the husband's drinking. Whenever he drinks, his wife leaves him, simply walking back to her mother's with the baby.

And she always wins. He promises to give up drinking—gives it up, in fact, until the next lapse — and she returns. The husband feels that

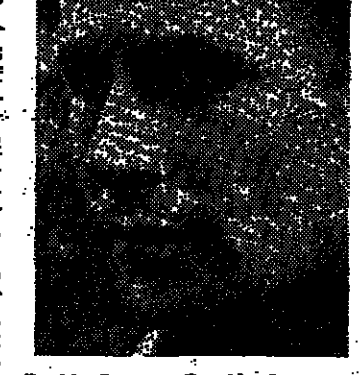
> "life started in blackness and ended in blackness: darkness threatened it on every side. Not only had his youth departed but fresh burdens were being added to his back."

He cannot bear the alternatives: homelessness, loneliness, a rat-hole existence not just for himself but for his child. In spite of the couple's sorrows, "a vibrancy existed between them," Storey writes, "like two people linked by a chain, the one unable to move without the other." The detail of extreme poverty is understood and examined: tiny expenditure, strict calculation, small thefts that just make ends meet; the impossibility of anything extra or unexpected. And through it all a vibrancy, a mixture of resentment and need, tenderness, explosive anger, persistence, doggedness; love of a sort.

All this is magnificent; it carries all the first part of the book. But the Morleys' second son, Bryan, the title's prodigal, has gifts no one can understand or deal with. Rich, childless neighbours take him over; paying for schooling, allowing him to avoid the grind of his parents' life; to see some luxury, to indulge some tastes.

This part of the story lacks the fascination and density of the early pages. The relationship between Bryan and Fay (who adopts him), between Bryan and his new life and circle, lacks the intensity and conviction of the earlier relationship between the parents, their lives, and surroundings. Precision vanishes. It's hard to tell Bryan's age at particular stages. Social detail is wrong, now and then. The end is not merely ambiguous but unsatisfying. But those stunning early chapters show just how far Storey can reach.

Field of Honour comes with praise from Graham Greene, but I find it hard to take seriously. Sentimental in a tough tradition, it is good-hearted and good fun to read. Gunboat, a Bogart-like American boxer stranded in India in 1948, longing for home but unable to get back for lack of a ticket for himself and his girl-friend Gertrude, meets a westernised schoolboy prince whose whole sense of honour and identity is bound up in a boxing match he must win against an English schoolboy, his father's mistress's son. Together, they train to win. On victory depends not just young Nicky's self-respect but Gunboat's chance of escape to America and keeping his Anglo-Indian Gertrude, who values him for his white skin but is less sure of his other advantages.



David Storey: D. H. Lawrence country

Sport, even to the unsporty, can be hugely dramatic if rightly used; and Nicky's ups and downs, with the final match against unbeatable blond Ian, blow by blow, broken nose and the rest, is thrilling indeed. But for all its modern tone and Indian setting, it is not much more than an old-world yarn about sporting heroics.

Flashman, in *Tom Brown's Schooldays*, was a lout and no more. In using his name and background George MacDonald Fraser has not just revived but resurrected and reconstructed him. Handsome, dashing, exuberant, ingenious, everlastingly in tight corners and everlastingly climbing out of them, he may still be a cad and a bounder but he's certainly got something—not least a zipping style. And if *Flashman and the Redskins* is as far-fetched as the six previous volumes of his memoirs, it has the same air of exactitude and even scholarliness: 30 pages, no less, of appendices and bibliography; notes on everything from the Forty-Niners to Mountain Men, from Custer to Wild Bill Hickok, from Crazy Horse to Spotted Tail. It is a splendid read.

The same cannot be said for the week's second prodigal, Jeffrey Archer's *The Prodigal Daughter*, as leaden a read as Storey's is impressive, Murari's engaging, and Fraser's sparky. It is a sequel to *Kane and Abel*, a tale of American high finance and rivalry. Abel's daughter marries Kane's son, in spite of their parents' hatred, and the daughter becomes the first woman president of the USA. With his first novel, *Not A Penny More, Not A Penny Less*, Mr Archer set out to write a best-seller and, unlike so many, succeeded. This one will probably follow its predecessors.

Laulan's law

BY DAVID MARSH

The General Theory of Employment, Interest and Cheating
by Yves Laulan. Richardson and Snyder (New York), $14.95. 180 pages

It is the malign but, no doubt, realistic view of world economic inter-relationships that individual governments, while paying dutiful lip-service to international co-operation, are in fact continually trying to do each other down by sleight of hand. Yves Laulan enlarges this Machiavellian theme of economic Realpolitik in his book *The General Theory of Employment, Interest and Cheating*.

M Laulan—chief economist at the nationalised French bank Société Générale—sums up the complex interplay of economic and political forces in the equation Oil + Defence + Social Welfare = Inflation:

> "The history of postwar international relations is the history of a game in which everyone cheats. . . . The Europeans cheated on defence. The Americans cheated through their use of the dollar exchange standard. The Soviet Union for its part cheated on détente. And the Opec countries . . . cheated by selling their resources at prices quite unrelated to cost."

His forecasts for the 1980s are certainly gloomy: inflation rates of 15 to 20 per cent in the industrialised world are a "near-certainty"; Opec will again exert its muscle power after the end of the present world oil glut; and the least developed countries "seem destined to become world beggars."

M Laulan—a strong critic of the Socialist government in Paris—thinks highly of Reaganomics and America's attack on the "No Work Society."

The book presents a cogent enough synthesis of all the diverse variables affecting the world economy. The coolly-argued historical sections are invaluable. But there are some weaknesses.

Although this might seem a strange criticism of an economics book, the text sometimes seems littered with too many charts and statistics which obstruct rather than help M Laulan's flow of argument. There are also too many other irritating truisms, such as this one right at the end:—

> "Consumption can continue to expand in the difficult years of adjustment ahead, but only if overall economic growth rates can be increased."

HOW TO SPEND IT

by Lucia van der Post

Take a breath of French air

THE FRENCH channel ports are more accessible now than they have ever been —a mere 35 minutes of "flight time" by Hoverspeed and you can be in Calais or Boulogne, while Dieppe, the furthest away of the "big three" is just under four hours away by ferry. For as little as £11 you can buy a two-day return ticket to Calais or Boulogne, while a car as well will cost you £45 each way. Tariffs *tend* to be complicated, hedged about with small print, depending upon time and day and season but Dieppe seems to be remarkable value, given how far away it is, with prices for a single journey by car starting at £26, a single fare is £15 and a 60-hour excursion return is £15.

For Calais or Boulogne you can leave from Folkestone, Dover or, between May and September only, from Ramsgate. Being the nearest to home in terms of time, Calais and Boulogne suffer most from the chips-with-everything awayday trippers. Dieppe is altogether more select with better food and more to offer the visitor who really wants to savour a bit of France and isn't just looking for as much cheap booze and French cheese as he can carry.

The golden rule for the visitor is that the further you wander off the main street and the more distance you can put between yourself and the port, the more likely you are to find food that is really French, some shops that sell more than the obvious tourist attractions and an atmosphere that is a bit more select than a soccer club's annual outing.

If, like most people who go for the day, you go without a car this isn't easy, which is why in most of the ports the main street runs close to the harbour— this way you have least distance to stagger with your arms full of all that loot.

If you are passing through on your way to or from some warmer, more far-flung destination, then it is well worth doing some research before you stay awhile. If you have just a few hours to spare, you should make sure you know where you want to eat, which days the restaurant is closed (I found the two best restaurants in Boulogne were closed the evening I was there—one on "congé exceptionnel," the other on "congé hebdomodaire") and book in if you possibly can.

It would be hard to justify a day trip to any of the ports in strictly financial terms — wine, some brandies and liqueurs, some fruit and vegetables, coffee and shellfish, were the chief things that seemed to me cheaper than at home. Since then, of course, the franc has been devalued and the exchange rate as I write is quoted at FFr 11.60 to the pound.

For all those many holidaymakers who will be going through the channel ports, three FT writers have done some preliminary research on your behalf. ARTHUR SANDLES spent time in Dieppe, FEONA McEWAN tripped off to Calais and I went to Boulogne. So—Bon Voyage and Vive la Difference.

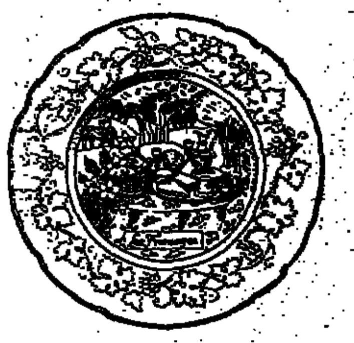
Pictures by Trevor Humphries

CALAIS

At a leisurely hour one Sunday a friend and I headed out of London. Two hours down the M2 we found ourselves on the fingertip of England in Ramsgate. One hour down the motorway I had apoplexy when I remembered I'd forgotten my passport. Other careless souls, however, will be comforted to know that there is no need to panic—you can get instant passes using a passport photograph taken from the available machines which are valid for 60 hours.

By the time you get to Ramsgate the journey to Calais is nearly over. 40 minutes of hovering and £10 per person later we "descended" into Calais.

A free bus leaves the Calais hoverport regularly for the centre but we got impatient and ordered a taxi for FFr 22 to the door of our central, clean, though very ordinary hotel—the Hotel Sauvage in the Rue Royale. Here a doubled-bedded room without bathroom costs FFr 85.50, including the usual continental breakfast. The Hotel Sauvage is to be found in the backbone of the less appealing half of Calais—Calais Nord. Calais Sud, centring on the main streets, Boulevard Jacquard and Boulevard La Fayette, is older and marginally more charming, although Calais altogether has the rather towdry air of a well-worn port.



Glen ceramic ware—6 plates for FFr 275.

It is still possible, they tell me, to find above average food but sadly in 24 hours we didn't have much luck, despite the Michelin guide clutched tightly in hand. Many of the best restaurants are closed on Sundays so gourmets should note that careful planning in advance is recommended. Meals seemed very cheap to us—a three-course meal can be as little as FFr 36 (just over £3) including a drinkable bottle of wine. For those willing to take the 15 km taxi ride or drive out of Calais to Ardres I'm told that the Hotel Clement and La Bonne Auberge are highly to be recommended. Alas, we didn't have time to find out if they were right.

We followed Michelin's two knives and forks on "Le Channel" by the marina and for about £10 each a head had only a barely adequate meal but it did include a nice bottle of Chablis and endless steaming coffee (though you should check your bills—we found we were overcharged by some £4).

If you can, avoid Sundays and Mondays for shopping—unless, of course, you do, as many of the British do, head only for the Hypermarket out of town— since much is closed until midday on Monday.

What most visitors to this part come for must be the shopping. In Calais Nord, look out for Descamps' fine, unbeatably pretty bedlinens—you'll probably find a greater range than in the London shop but prices are not very different. A single sheet is FFr 120; hand towel is FFr 64; facecloth FFr 11.50.

For household gifts, La Madragüe in the Rue Royale is a sight to gladden the eye. There is fresh pink sprayed china, outsize breakfast cups (at FFr 55.50), handpainted individual ceramic breakfast sets, cup and plate, start at about FFr 70. The rainbow-coloured cutlery from Sofa of France is fresh and pretty. Further up the road, Coffea offers a comprehensive range of teas and coffees.

At Place d'Armes round the corner the Maison du Fromage offers a bewildering array of cheeses but note that it, like many other shops, is closed on Mondays.

If baby or children's clothes are what you're looking for, the choice is endless. At Baby Comfort in the Boulevard La Fayette there are children's clothes with that distinctive French chic—sharp red and navy replace our sickly pastels. At *Pour Vous Madame* on Boulevard Jacquard seersucker smocks were FFr 90 and matching jumpsuits FFr 92. Mouthwatering shirred smocks in candy stripes FFr 69 and miniature navy sweaters with shoulder buttons FFr 52.

At No. 29, Place d'Armes, Etchola is a veritable Aladdin's cave of household goodies— china, cutlery, funky lights. I particularly liked the fondant-handled cutlery, FFr 128 for one 4-piece setting.

Down on Boulevard La Fayette, Petyt la Cave is a hardware emporium selling everything from Mouli Legume 2 at FFr 26.60 to Tournus saucepans at FFr 92.75 for the large size and solid men's metal tool expanding boxes at FFr 58.50.

Giant pink and white striped coffee cup for FFr 55.

Two department stores worth a trip are Prisunic on Boulevard Jacquard where we found lovely French square feather-filled pillows in pink ticking for just FFr 42 each. Those distinctive French bolsters are FFr 70, cotton mattress covers are FFr 45 for the single size. Cotton sheets in plain shades are good buys at FFr 94 single in candy-striped pink or blue, and FFr 105 double size.

If you like great, gigantic supermarkets, then you can head for the huge Hypermarket about 3 km out of Calais. If you don't have a car, there are buses which leave from just outside the municipal theatre in Calais Sud and the fare is just FFr 3.50 each way.

For ardent shoppers who like to compare prices, I found that artichokes were FFr 2.95 each, plain cotton pillow-cases are FFr 21.20, langoustines came at FFr 65 per kg, crab at FFr 228 per kg, Perrier at FFr 3.20 a litre, a bottle of Remy Martin comes at FFr 85 (cf the $20 charged on a recent flight to the US), while there were plenty of cheap wines at well under a £1.

DIEPPE

DIEPPE is France from the deep end. The ferries, thankfully rescued after the doubts that hung over them earlier this year, moor right in the middle of town. From the passenger decks you can smell the food, see the shops and hear the hubbub that awaits.

Bolougne certainly and Calais perhaps offer better shopping, apart from certain foods, but Dieppe is streets ahead of them when it comes to eating and drinking. Take your shopping bag to Boulogne and your appetite to Dieppe ought to be the motto.

The best day to visit, unless you are trying to park a car, is Saturday when the local market is in full swing. There are, however, some food shops open on Sunday morning for last minute purchases before catching the boat. If you are planning a weekend visit, or happen to be passing through on Saturday or Sunday make your restaurant bookings in advance.

Expect to pay between FFrs 50-60 per person for the basic menu, including wine and tip in a medium-priced restaurant.

Most of the best shops are in the Grande Rue, which is a short dash from the departure quay. It has some superb charcuterie sellers. In the same street you will find branches of Au Printemps and Prisunic. The local Mammouth hypermarket is some way out of town and hardly worth the trip unless you have a car. If hypermarchées are your thing then head further north.

Dieppe is very much a town for seafood, and there is a strong Breton influence on the basic Normandy flavours' with lots of cream and cider in the cooking. If you are buying to bring back to Britain my own pick would be skate, mussels, scallops and clams, although what is available and edible will depend on the season.

The quayside restaurants fall into two distinct groups. Those opposite the old hydrofoil station tend to be quick service, pavement cafe's mainly of the steak and frites variety. They are adequate, a little on the pricey side for what they offer, and are heavily patronised by Briton's grabbing a last bite before the boat. There is a better selection on the Quai Henri which is actually beside the ferry moorings, notably the Sully and the rather more expensive Amorique. Personally I would go for the Sully, but it is closed from Tuesday afternoon until Thursday lunchtime.

My own favourite remains, however, La Marmite Dieppoise, which is tucked away in the Rue St Jean and can easily be missed in first time searching. Like all Dieppe restaurants service can get a bit fraught on peak season weekends, but the wait is worth it and, if you show no signs of impatience, you will be rewarded with smiles and helpful attention.

It is a small intimate place and if you are taking children I would suggest taking a table in the less turbulent upstairs room. La Marmite is one of the small number of Dieppe restaurants to take a range of credit cards.

For staying and eating in the same place most votes would go to the Hotel de l'Univers. Dinner, bed and breakfast there after a day's shopping and lunching around the Quai would be superb. Expect this to cost around £20 per person.

Dieppe seems to boast an extraordinary number of hotels run by chefs—the Univers is one of them, but the Windsor and the Rhin are others. If you do not want to be tempted by alluring aromas from the kitchens try instead the inexpensive Hotel de la Jetee, much commended by the Consumers' Association and its Good Food Guide in spite of the fact that it serves only breakfast.

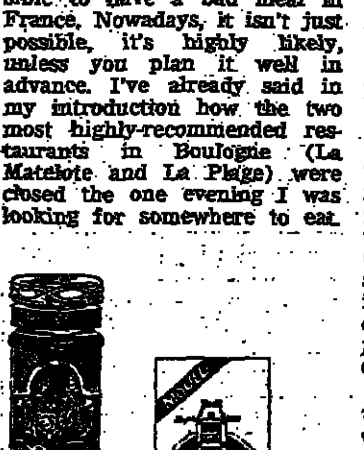
Dieppe's great advantage for lingering is that its very distance from British shores makes it unattractive for the usual booze and Le Creuset brigade and thus the whole atmosphere is one of greater permanence.

The four hours that it takes to get from Newhaven to Dieppe is a bit on the lengthy side in the winter, but pleasant enough in the summer months. It is, of course, surprisingly close to Paris and a short drive from the bustling city of Rouen. Its great advantage, however, for those planning heavy shopping raids is the closeness of the mooring area to the town centre—in fact the mooring area is the town centre.

BOULOGNE

IF YOUR memories of Calais were as bad as mine (too many ferries missed too late at night, cars full of children wailing "Where will we sleep tonight?") Boulogne would have to be an improvement. It was. If you have to miss a ferry, miss it at Boulogne. If you want to go there on purpose, that's worth it, too. But, if you possibly can, do some homework first.

I used to think it was impossible to have a bad meal in France. Nowadays, it isn't just possible, it's highly likely, unless you plan it well in advance. I've already said in my introduction how the two most highly-recommended restaurants in Boulogne (La Matelote and La Plage) were closed the one evening I was looking for somewhere to eat.



Prunes in Armagnac for FFr 55. Coffee FFr 9.15 for 250 grammes.

Don't rely on just coming upon a restaurant—the ones you do come upon will be enticing the hordes that stream off the ferries with such missable specialities as "steack frites" and "poulet frites."

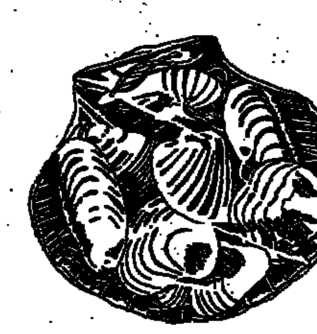
Consult Michelin before you go. I can recommend La Charlotte, a tiny restaurant full of atmosphere in the Rue du Doyen, just off the main square. There were 68 and 100 franc menus and fresh fish "selon les arrivages" was beautifully and delicately cooked.

I also tried La Lieggoise in the Rue Monsigny and though it looked and sounded very grand, with menus sporting all the hallmarks of La Nouvelle Cuisine (vegetable terrines, small portions of fish swimming in pools of sauce and salads to enchant the eye but not the palate) nothing seemed to taste of anything very much.

Hotels are very reasonable— the smartest hotels in town would have to be described as simple and comfortable rather than luxurious but at about £8 or £9 a night for a double room with bath, the value is excellent.

Boulogne is a good place to wander around. It isn't large but there is an attractive old-town and high ramparts and enough old streets to make you feel you can make some discoveries of your own.

Most of the British, for reasons that must relate to some atavistic instinct for a bargain, head for the characterless, giant hypermarkets. To me, it is about as inviting as my weekly trip to Sainsbury's, useful but hardly the stuff that holidays are made of. However, if bargains are what you are after there are two hypermarkets. One right on the seafront, on Boulevard Danou, sports a car-park on the roof.



Coquillages of chocolates makes a good small present.

It is the place to stock up on wines, on things like the pure fruit sirops the French do so well (look out for the Teisseire brand of sirop de cassis, pamplemousse, grenadine, d'ananas, etc), the excellent ready-made praline in packets, the jars of rillettes and terrines of all sorts. Coffee seemed to me to come in much greater variety than is usually to be found here and much cheaper too. There are more varieties of vinegars, mustards, jams and preserved fruits.

Seven kilometres outside Boulogne, for those who come by car, is another hypermarket. If you only have time for a one-stop shopping trip and are prepared to trade practicality for atmosphere, then the hypermarket is probably your best bet.

For myself, I preferred wandering round the old backstreets, looking in the Brocante. If you have a softness for French provincial furniture, you'd need a van to bring it home, but you'd find a good selection at prices that seemed to me quite reasonable.

There are plenty of shops selling the sort of household goods with that very French air that most Brits think is so chic — brasserie-style coffee cups with Bonjour on the surface and the plain white ceramic ware that makes such a marvellous background for serving food. Shops like the Prisunic in the Grande Rue have a huge supply of very French gadgets —the entire Mouli range and a huge range of Friteuses.

Caprice in the Rue Nationale has some very smart dishwasher-proof kitchen utensils in matt black plastic and steel—everything from potato peelers, apple corers, cheese slicers to bottle openers and olive-stoners, all matching. Look there, too, for a fine collection of the very attractive Gien ceramic ware. The prices are much the same as in London but the selection is better.

If you like large square French pillows, they are much cheaper in France than over here. Bed linen in general seemed a very good buy. In the Rue de Thiers, just opposite the Metropole hotel, creamy white cotton bedspreads cost about £23 for a double size whilst in the Descamps shop nice thick towelling robes for men were selling at £32 each.

But food, I suppose, is what most visitors look for. For cheese go to La Fromagerie de Philippe Oliver at 43, Rue Thiers — he supplies London's best restaurants and his choice is enormous. In the Grande Rue, that is the main street leading up from the harbour, you will find a good selection of charcuteries, especially Derrien, and you might like to try the white boudins, as well as a wide variety of ballotines and terrines.

Officially speaking you aren't meant to take back poultry or meat that is uncooked but I was very tempted by the fish stalls — turbot was selling at about £2 a pound, skate at £1.50 a pound and the selection of seafood was better than in any fish shop I know.

If you arrive on a Saturday or a Wednesday head for the market in the Place Dalton. There you will find a display of plump heads of garlic, big globes of green artichokes, herbs and salads, as well as seasonal fruits of all kinds.

ARTS

Shaking all over

BY B. A. YOUNG

The second of Radio 4's series about Utopian experiments painted a brighter picture than the first. for the United Society of Believers, commonly known as the Shakers, still survives, even if it has only 12 members. The story, as told in James Roose-Evans's script was deeply interesting and (in spite of the ultimate fade-out) encouraging; and the Shaker songs that accompanied it never sounded as if they had just been put in to relieve the dialogue. They were delightful, and one of them at least, "The gift to be simple," will survive, having been used by Aaron Copland in one of his compositions. (And very nearly by Bela Bartok in one of his, a curious coincidence: these Hungarians get in everywhere.)

The Shakers were founded by Ann Lee, a "poor, illiterate, uneducated factory woman," in the late 18th century. She believed that all human faults came from concupiscence, and she held (in a manner not unknown today) that God was both male and female. Jesus being an incarnation of the male half and herself of the female.

She led her followers to New England, contriving a miracle on the way when the ship sprang a leak. She taught the total separation of the sexes, and (less comprehensively) that no one should have a watch or an umbrella or a nickname. Their religious observations, marked by rhythmic shaking of the heads and limbs, would go on until two o'clock in the morning with laughter, singing, shouting and drumming, and the public was allowed to come. Dickens sneered at them, but Tolstoy approved, and so did Engels.

They not only grew their own food and built their own homes, but they won a good reputation in light industry, and the articles they made are highly admired still. They got on well with their neighbours on the whole, and they were certainly successful in their own line, founding new communities here and there until 1836, when they stopped. Among their achievements is the invention of the safety-pin.

The programme, in which "Mother" Ann was movingly played by Billie Whitelaw and the songs sung in pretty but too sophisticated arrangements by the BBC singers, was genuinely heart-warming. It is sad that the Shakers should have banned new membership in 1964 and are now down to a dozen elderly sisters. The director was John Theocharis.

The spirit of the Shakers would be of advantage in the do-good world of our time. As we learnt from Derek Cooper on last Sunday's *Food Programme*, is liable to do as much harm as food-aid to the Third World good. Stores are full of processed convenience foods, not to mention such extravagant articles as chewing-gum and Cocoa-Cola, while too little effort is made to persuade the people on the spot to improve their own agriculture. Mother Ann would soon have them throwing away their umbrellas and watches and bicycles and cultivating better strains of crops.

The splendidly practical Food Programme is my indispensable accompaniment to cooking Sunday lunch, and Mr Cooper, now that Gerald Priestland has retired, is far and away my favourite broadcaster. In last Sunday's half-hour, his last, alas, until October, he not only told us about food-aid; he told us about the project to grow British beans to compete with the Michigan-grown beans of which we import 900,000,000 a year; about a new Somerset cheese, Limeswell, in the style of Brie; about the horrors of the tinned meat world; about new machinery for grinding down bone and gristle and adding water to sausage-meat. I shall miss him.

From the week's drama, I pick Sunday's *From the Balcony*, by Patrice Chaplin, on Radio 3, as an unusual pleasure. (It was jointly commissioned by the BBC and the National Theatre, and has been given as a platform performance at the Cottesloe). It tells two tales at once. One is of the deserted nun who wrote passionate letters from what seems to me to have been a very liberal convent, the other adapted from Lermontov's *A Hero of Our Time*, is of her seducer, who barely remembers her, is about to fight a duel over another woman, and is lastingly in love only with an old flame.

The two stories are applied to one another like a pair of Euclid's congruent triangles. There is no contact between the nun and the hero; yet the correspondence is perfect and complete. Morag Hood was the nun, Leigh Lawson was the knight, and Cherry Cookson was the director.

Gwen John

BY WILLIAM PACKER

Augustus John's celebrated remark to the effect that eventually he would be remembered merely as Gwen John's brother, may have carried with it a certain rueful, defiant hope, but it was generously and undoubtedly seriously meant, and it is almost right. August did more than enough himself to deserve to be remembered, and his own serious critical reassessment is, if anything, overdue—yet again we have allowed our interest in the Life to obscure the Work, flawed and inconsistent as it is.

But while Augustus was so precociously gifted, and in many ways so interesting an artist, with every painting of hers we see, and see again, it becomes increasingly clear that his elder sister Gwen was in fact a great artist. "Few on meeting this retiring person in black," he wrote some years after her death, ". . . would have guessed that here was the greatest woman artist of her age, or, as I think, of any other." A brave and loyal claim to make, and a large one; but it is also somewhat invidious, and, with its thoughtless qualification, not a little suspect to our now sophisticated minds. Gwen John's work needs no special plea nor allowance in its defence: it stands, simple, direct and modest as it is, on its own merits among the very best produced by any artist of this country in a hundred years.

Pencil drawing of girl with crossed hands, circa 1920

A small but important show has lately opened at Anthony d'Offay (until August 22) that brings together a number of her major portraits and figure paintings, most of them on loan, including the magnificent early self-portrait now in the National Portrait Gallery, and is filled out by a substantial body of drawings and water-colours. It covers effectively the whole of her active career, from her time at the Slade in the later nineties up to the later twenties, before her final decline set in—she produced less and less through the thirties, became latterly more reclusive than ever, and in September 1939 died suddenly in Dieppe, where she had gone for the day from her home in a Paris shed, was taken for a pauper and buried in an unmarked grave.

Hers is indeed a strange story: the self-imposed exile over 35 years, her great love for the ageing Rodin, her obsessive personal relationships, her self-denial, her religiosity, her solitary ways. But fascinating as it is, always we come back to the Work, and anecdote and detail fall away into irrelevance. This is not in fact a retrospective show, nor even a particular study. We may trace development through it, of course, and tie the work to the biography to some degree; but faced by the paintings themselves, of whatever date, we cannot but acknowledge that in the end they escape it all.

The drawing is deceptively simple, the line nudged and teased along with the barest nuance of inflection, and finally assumed within the process of the painting. She is the purest, the truest of painters, everything resolved upon the surface by the most direct of means, the pigment laid on with such apparent simplicity, the design flat and clear, the tones so close, the colours so reduced and finely judged. We think naturally of Bonnard and Vuillard, for they too do it all with the mark and spread of the paint, stroke against stroke; but Gwen John is entirely herself, for all that, instinctively more disciplined, severe, reductive in her intentions, no less sensitive and intimate than they, but much less the hedonist. She is indeed the first, a natural Minimalist: pink and blue sit against each other, simmering gently, and together they conjure out of the surface, with apparently little modulation, space, form, substance, flesh and blood—the young girl sitting there with such serenity in her blue dress against the wall. None of her paintings are exactly large, but size is no criterion of worth nor scope, and they are possessed of the moral weight and authority of masterpieces.

Richard III at Ludlow Castle

BY B. A. YOUNG

This production, directed by Peter Cregeen, is one of the best examples of open air theatre that I can remember, and this is in spite of the disadvantages that the play poses. *Richard III* is essentially an indoor play, in spite of such outdoor scenes as Richard's foolery and Baynards Castle and the ultimate conflict between him and the Frenchmen. It is a play full of conspiracy and dark deeds that need dark corners for their fulfilment.

Martin Johnson has overcome this problem in his design by ignoring it. A great raked stage stretches before the ruined wall of the Inner Bailey. Some coloured drapes are spread on the wall and the neighbouring towers. But save on two occasions when walls are carried on by halberdiers, whether we are indoors or out is entirely a matter for our imagination.

Our imagination is well catered for, for there is more subtlety in the playing than one commonly sees in open-air theatre. Head caterer is Edward Woodward, whose Richard is outstandingly good. He is only mildly deformed—a stiff left leg, a lumpy left shoulder (young Prince Richard gives it a friendly pat, which earns him a grimace of deepest hatred). He makes the most of all the dour wit in the part, taking it sometimes to the edge of comedy. "Call them again," when the citizens depart at Baynards Castle, is rather like Rosalind's patently dishonest "he calls us back" in *As You Like It*.

But behind the jokes, which are some of Shakespeare's best, there is a desperately ambitious man, whose devotion to his own welfare is never relaxed. Mr Woodward may be excused, in such a roaring performance, for including the false line "off with his head! So much for Buckingham!" which was one of Garrick's high spots. It sounds well, and it does no harm.

This isn't by any means a one-star production all the same. Moments of uncommon merit glean throughout the evening — a cloudless, far-freckled evening, incidentally. That terrible trio of despairing women is splendidly done by Pauline Delany as Queen Margaret, Heather Canning as Queen Elizabeth and Barbara Lott as the Duchess of York. Gerome Willis as Clarence and John Rolfe and Martyn Whitby, his assassins, make a chilling scene; Shakespeare was expert at murderers, and later, John Hartley does well as Tyrrel, who arranges for the despatch of the Princes in the Tower.

On the credit side, it is a great moment when Richmond comes downstage to make his eve of battle speech (having a moment earlier appeared in a spotlight at the top of the keep, 90 difficult corkscrew steps up, behind the audience. He made me think of Montgomery addressing the troops from a jeep.)

There were things I was less keen on, notably the crowd of clowns that infest the stage at the beginning, before Richard is given his chance to come down and exult in the glorious summer of the sun of York. Michelle Dotrice was not happy as Lady Anne. Perhaps her Russian Orthodox way of crossing herself over King Henry's body brought heavenly disapproval on her in what was still a Roman Catholic nation. The Lord Mayor and the citizens might have found some more loyal shouts than the repetition of every last word Buckingham said to them. I couldn't understand why Richard was allowed three times to get Richmond on the ground, disarmed, and finally to be killed not by Richmond but by the troops.

But all in all, this is an exceptionally enjoyable producton.

Community arts in Deptford

BY ANTONY THORNCROFT

The Albany Empire in Deptford in South East London is the kind of enterprise that Mr Tony Banks; who is the politician running the GLC's substantial arts budget, favours. As a politican representing Londoners who rarely visit a theatre or concert hall, let alone an opera house, he has a case in trying to switch resources away from national bodies like the Royal Opera House and National Theatre towards local community arts centres, converted cinemas and churches, or purpose built, which offer popular arts events.

The Albany Empire shares an impressive new building with a community centre and has had its financial problems solved thanks to the GLC, the local boroughs, and the Greater London Arts Association. It is currently presenting at week ends until the end of the month *If you wanna know what heaven's like you'll be there soon*, by Tony Coult, which sums up all the weaknesses in the concept.

The play, set in the Fens in the 1950s, is a piece of political theatre. The writer wants to rally support for his views and believes this can best be done by sugaring the pill with lovable working class characters, middle class caricatures, and undemanding knockabout turns. The whole thing is dreadfully condescending, with second hand dialogue and plot line. The actors however give it more than their due, particularly Elizabeth Bradley as the Cold Comfort Farm clone. Their enthusiasm stays in the memory rather than the Message paraded at the end which is obviously the rationale of the whole exercise.

What made a visit to the Albany especially piquant was that the audience for the play was middle class and small while the locals were enjoying themselves in the community centre with an old fashioned talent contest. Although the Albany makes things very easy for its visitors with a nice bar, tables where you can eat while watching the show, and a disco after the performance it cannot shake off echoes of the Band of Hope which must have organised very similar events in the neighbourhood fifty years ago — and posed the same problem for the locals; is the bun and cocoa worth the sermon?

It was more fun at the talent contest with children and grannies and teenagers — obviously enjoying themselves, but even here the millions invested in the centre supplied no more than a popular corner pub could provide, given more relaxed licensing laws.

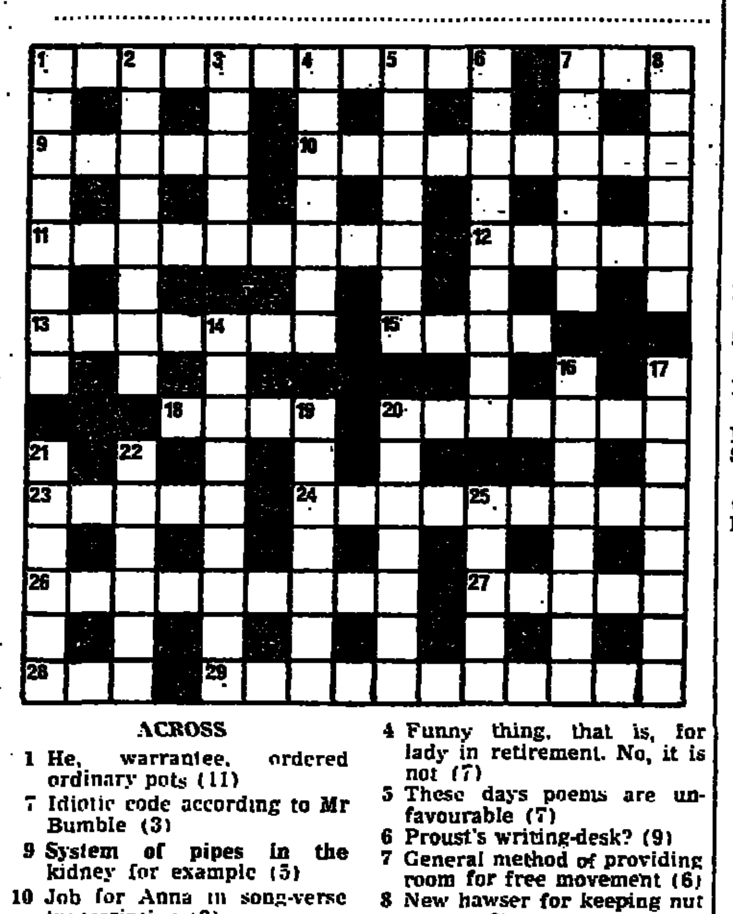
F.T. CROSSWORD PUZZLE No. 4,913

A prize of £10 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10, Cannon Street, London, EC4P 4BY. Winners and solution will be given next Saturday.

Name ....

Address ....

....



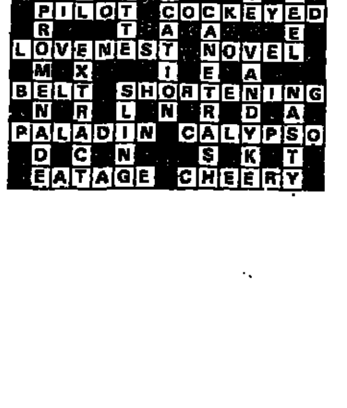
ACROSS

1 He, warrantee, ordered ordinary pots (11)
7 Idiotic code according to Mr Bumble (3)
9 System of pipes in the kidney for example (5)
10 Job for Anna in song-verse transcription (9)
11 Former farm-machine for pulling out stumps (9)
12 Old aristocrat found mainly in N.E. Kent (5)
13 Boeing in trouble round Leatherhead base (7)
15 People go through it leaving theatre (4)
18 Lines from Tasso designated (4)
20 Country of origin of A1 cream crackers? (7)
23 Things dangerous to desert squatters (5)
24 EEC start a new development—brake called for! (6-3)
26 Unrealiable, takes stock of others in extremes of touchiness (9)
27 Shields against wound in South Africa (5)
28 Hurry aloft, say (3)
29 Control-room where the highly-strung feel most strain? (5-6)

DOWN

1 Mysterious like strange coteries (8)
2 Amending style, we hear (8)
3 What makes locks rusty? (5)
4 Funny thing, that is, for lady in retirement. No, it is not (7)
5 These days poems are unfavourable (7)
6 Proust's writing-desk? (9)
7 General method of providing room for free movement (6)
8 New hawser for keeping nut secure (6)
14 Serving game—that is how lamb is ruined (9)
16 Sum to deduct or ignore (8)
17 Bearing of Victoria, perhaps (8)
19 Fabulous porridge-maker, Ursula? (3-4)
20 A dancer or a sitter-about (7)
21 Tax on church spirit (6)
22 C-cause trouble and see what court might do (6)
25 Eat only tiny amount, it makes sense (5)

Solution to puzzle No 4,912



† Indicates programme in black and white

BBC 1

6.25-8.55 am Open University (UHF). 9.05 Weekend Wardrobe. 9.30 Get Set.
12.00 Wimbledon Grandstand; International Motor Racing: The Dutch Grand Prix; World Cup Focus; Wimbledon 82: Ladies' Singles Final, Men's Doubles Final and Ladies Doubles Final.
5.30 News.
5.45 Sport/Regional News.
5.50 Alias Smith and Jones.
6.40 David Essex Showcase.
7.20 The Saturday Film: All Creatures Great and Small starring Simon Ward and Anthony Hopkins.
8.50 News and Sport.
9.05 Dynasty.
9.55 Sinatra: The Man and his Music.
10.45 World Cup Report.
11.15 Saturday Live.

REGIONAL VARIATIONS

Cymru/Wales—12.00 Cricket. 5.45 Sports News Wales.

Scotland—5.45 Sport/Regional News.

Northern Ireland — 5.45 Northern Ireland News and Sport.

England — 5.45 South-West (Plymouth): Spotlight Sport, Regional results and Reports.

BBC 2

6.25 am Open University.
3.35 pm Saturday Cinema: "Song of Scheherezade" starring Yvonne De Carlo Brian Donlevy.
5.15 Wimbledon 82.
7.00 News and Sport.
7.15 Ireland: A Television History.
8.05 The Levin Interviews: Field Marshall Lord Carver.
8.35 Grand Prix
9.05 Reiner Werner Fassbinder's "Despair" starring Dirk Bogarde, Andrea Ferreol.
11.10 News.
11.15 Wimbledon 82: Match of the Day.
†12.05 am Midnight Movie "There's Always Tomorrow" starring Barbara Stanwyck, Joan Bennett.

LONDON

8.30 am Sesame Street. 9.30 Saturday Action. 11.10 Space 1999. 12.05 am Police 5.
12.15 World of Sport—12.20 Water Skiing—The KP British Masters from Thorpe Park, Surrey; 12.40 Cycling—The Tour de France; 1.00 World Cup Report followed by Australian Pools Check; 1.15 News; 1.20 The ITV Seven from Sandown and Haydock; 3.15 Hot Rod Racing — The Motaquip Championship of the World; 3.40 Speedway—The Intercontinental Final from Vojens, Denmark; 3.55 News Round-up; 4.10 Wrestling; 4.55 Results.
5.05 News.
5.15 Worzel Gummidge.
5.45 The Incredible Hulk.
6.45 Funnybone.
7.15 "Battle of the Bulge" starring Henry Fonda, Robert Shaw, Robert Ryan, Telly Savalas and Charles Bronson.
10.00 News.
10.15 ITV Playhouse "The Houseboy."
11.15 London News Headlines followed by Liberace.
12.40 am Sit Up and Listen with Tim Beaumont.

ANGLIA

9.00 am Sesame Street. 10.00 Sport Billy. 10.25 Thunderbirds. 11.20 Tarzan. 5.45 pm Chips. 11.15 Mannix. 12.10 am That's Hollywood. 12.40 At the end of the Day.

BORDER

9.35 am Untamed World. 10.00 Tarzan. 10.50 The Adventure of Black Beauty. 11.15 Space 1999. 5.45 pm Chips. 11.15 Streets of San Francisco.

CENTRAL

9.15 am Come Close. 10.30 Feature Film: "Charlotte's Web." 5.45 Chips. 11.15 Ray Charles in Concert.

CHANNEL

5.15 Puffin's Pla(i)ce. 5.17 WKRP in Cincinnati. 5.45 Sale of the Century. 6.15 Mr Merlin. 11.15 Musical Special Andy Williams.

GRAMPIAN

9.10 Kum Kum Cartoon. 9.35 Stingray. 10.00 Tarzan. 10.50 Welcome Back Kotter. 5.45 Chips. 11.15 Reflections. 11.20 Hammer House of Horror — "Growing Pains."

GRANADA

9.25 am The Flying Kiwi. 9.50 The Undersea Adventures of Captain Nemo. 9.55 Sport Billy. 10.15 Sesame Street. 5.45 Chips. 11.15 Video Sounds. 11.45 The Late Film "Dexy's Midnight Runners."

HTV

9.55 am Vicky the Viking. 10.20 Sesame Street. 5.45 Sale of the Century. 6.15 Happy Days. 11.15 Saturday Night Thriller starring Gayle Hunnicutt in Colour Him Dead.

SCOTTISH

9.30 am Thunderbirds. 10.20 Beachcombers. 10.45 Diff'rent Strokes. 5.45 Chips. 11.15 Late Call. 11.20 The Streets of San Francisco.

TSW

9.05 am Film Fun. 9.30 The Saturday Show. 10.30 Charlie's Angels. 11.20 5.50 Incredible Hulk. 11.15 Lou Grant. 12.10 am Company.
Sport Billy. 11.45 The Adventures of Black Beauty. 12.12 pm TSW Regional News. 5.17 WKRP in Cincinnati. 5.45 Sale of the Century. 6.15 Mr Merlin. 11.15 Musical Special. 12.15 am Postscript.

TVS

9.00 am Saturday Brief. 9.05 Sesame Street. 10.05 Sport Billy. 10.30 No. 73. 11.45 Benson. 5.15 pm TVS News.

TYNE TEES

9.00 am Story Hour. 9.55 Cartoon Time. 10.05 Joe 90. 10.30 Saturday Morning Movie: "The Iron Maiden." 12.05 pm Check It Out Extra. 12.13 North East News. 5.15 North East News. 5.45 Chips. 11.15 Musical Special—Mireille Mathieu. 12.15 am Post's Corner.

ULSTER

10.00 am Sesame Street. 10.55 Thunderbirds. 11.55 Cartoon Time. 5.13 Ulster News. 5.45 Chips. 10.14 Ulster Weather. 11.15 Sports Results. 11.20 Private Benjamin.

YORKSHIRE

9.00 am Fang Fare. 9.20 Thunderbirds. 10.10 The Adventures of Black Beauty. 10.35 The Saturday Morning Picture Show: "Doctor in Love." 5.45 pm The Incredible Hulk. 11.15 Star Parade. 12.15 am That's Hollywood.

RADIO 1

(S) Stereo broadcast (when broadcast on VHF)

6.00 am As Radio 2. 7.00 Wake Up To The Weekend with Adrian John. 8.00 Tony Blackburn's Saturday Show. 10.00 Paul Burnett. 1.00 pm Adrian Juste (S). 2.00 A King In New York (S). 2.05 Paul Gambaccini (S). 4.00 Walter's Weekly (S). 5.00 Rock On (S). 6.30 In Concert (S).

RADIO 2

5.00 am Peter Marshall (S) with The Saturday Early Show. 8.05 David Jacobs (S). 10.00 Randy Crawford (S). 11.03 Kenny's Independence Weekend (S). 1.00 pm The Impressionists. 1.30 Sport On 2: Wimbledon 82, The Finals; World Cup: Racing from Sandown Park, commentary on 2.55 Coral-Eclipse Stakes; Cricket: Sports Report. 7.00 Jazz Score. 7.27 Sports Desk. 7.30 BBC International Festival Of Light Music (S) direct from the Royal Festival Hall, London. 10.00 Hilversum Greats Radio 2 (S) The Metropole Orchestra of Dutch Radio. 11.02 Sports Desk. 11.10 Pete Murray's Late Show (S). 2.00-5.00 am You And The Night And The Music (S) with Colin Berry.

RADIO 3

7.55 am Weather. 8.00 News. 8.05 Aubade (S). 9.00 News. 9.05 Stereo Release (S). 10.30 Brahms and Bartok (S). 11.15 BBC Scottish Symphony Orchestra (S). 12.10 Interval Reading. 12.15 Concert, part 2. 1.00 News. 1.05 Early Music (S). 2.00 The Symphonies of Mahler (S). 4.15 Prokofiev and Chopin (S). 5.00 Jazz Record Requests (S). 5.45 Critics' Forum. 6.35 Endellion String Quartet (S). 7.30 Poems of Z (S). 8.00 Cheltenham Festival 1982 (S) Concert direct from the Town Hall, Cheltenham (part 1) Haydn, Mendelssohn. 8.55 The Duke of Wellington presents his Compliments. 9.15 Cheltenham Festival 1982 (S) (part 2). 10.10 The Destructors. 10.30 Music from Korea (S). 11.15 News.

RADIO 4

6.25 am Shipping Forecast. 6.30 News. 6.32 Farming Today. 6.50 Yours Faithfully. 6.55 Weather; Travel; Programme news. 7.00 News. 7.10 Today's Papers. 7.15 On Your Farm. 7.45 Yours Faithfully. 7.50 It's A Bargain. 7.55 Weather. Travel; Programme news. 8.00 News. 8.10 Today's Papers. 8.15 Sport on 4. 8.48 Yesterday in Parliament. 8.57 Weather; Travel; Continental Travel. 9.00 News. 9.05 Breakaway. 9.50 News Stand. 10.05 The Week in Westminster. 10.30 Daily Service (S). 10.45 Pick of the Week (S). 11.35 From our own Correspondent. 12.00 News. 12.02 pm A Small Country Living. 12.27 The News Quiz (S). 12.55 Weather; Programme News. 1.00 News. 1.10 Any Questions? 2.00 News. 2.05 Thirty-Minute Theatre (S). 2.35 Silent Avenues of the Past. 3.05 Wildlife. 3.30 The British Seafarer (S). 4.15 Russian Roundabout. 4.30 Does He Take Sugar? 5.00 Modern Spanish Writers. 5.25 Week Ending (S). 5.55 Weather; Travel; Programme News. 6.00 News. 6.15 Desert Island Discs (S). 6.55 Stop the Week with Robert Robinson (S). 7.35 Baker's Dozen (S). 8.30 Saturday Night Theatre (S). 10.00 News. 10.15 The Place in the Sun. 11.00 Lighten Our Darkness. 11.15 Stop the Week with Robert Robinson (S). 12.00 News; Weather.

CAPITAL RADIO

4.00 am The Early Show—Phil Allen. 7.00 Breakfast Show—Graham Dene. 10.00 Pick of the Pops Take Two with Alan Freeman. 12.00 Rogert Scott. 2.00 Duncan Johnson's Afternoon Delight. 5.00 Greg Edwards' Soul Spectrum. 8.00 Juke Box Saturday Night. 9.00 Richard Digance and Folk Friends. 10.00 Roots Rockers with David Rodigan. 12.00 Midnight Special—Phil Allen.

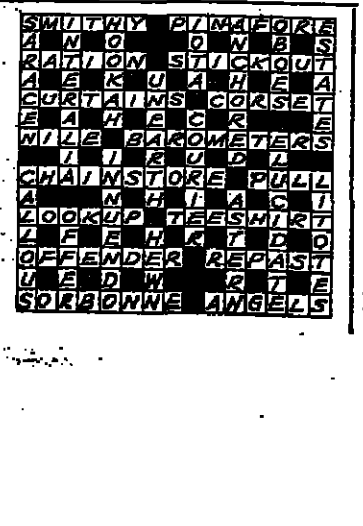
Solution to Position No. 430

1 ... RxN! 2 PxR, QxP ch; 3 K-R1, B-B6! 4 PxB (if 4 R-KN1, N-N5 threatens Q-N6!), QxP ch; 5 K-N1, Q-N5 ch; 6 K-B1 (6 K-R1, N-B7 mate), N-Q7 ch and White resigned. QxQ follows.

Solution to Problem No. 430

1 N-K5, KxR; 2 B-N3, K-B3 or R8; 3 B-B4 or R4 mates. If 1 ... K-K5; 2 R-KB5, K-B5; 3 R-QR4 mate.

SOLUTION AND WINNERS OF PUZZLE No 4,907



Mrs Mary Smith, 39 Station Road, Thorney, Peterborough, PE6 0QE.

Mr Edward Telesford, 12 Robert Street, Brighton, East Sussex.

Mr J. S. Young, 30 Litchfield Way, London, N.W.11.

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THEATRES

ALBERY. S. Air-cond. 836 3878. CC 930 9232-379 6565. Grp bkgs 839 3092/836 3962 Eves 7.30. Thurs & Sat Mat 3.0. OLIVER COTTON CHILDREN OF A LESSER GOD. PLAY OF THE YEAR. SWET 1981. Jean St Clair replaces Elizabeth Quinn until July 9.

ALDWYCH. S 836 6404. CC 379 6233. ALAN HOWARD. Best Actor of the Year in the RSC Award-winning production of GOOD. EVES 7.30 SHARP. mats Weds & Sat 2.30. Wed mat 2 for price of 1 on £8, £6.50, £5. Hurry! Season extended till August 7.

AMBASSADORS. S CC 836 1171. Grp sales 379 6061. Tkts £6.50, £5.50, £4.50, £4, £3. Eves 8 pm. Mat Tues & Sat Mat 5. ROSEMARY LEACH DAVID SWIFT 84 CHARING CROSS ROAD by Helene Hanff. OVER 250 PERFORMANCES.

APOLLO. Shaftesbury Ave. CC 01-437 2663. Credit card Hotline 01-930 9232. Mon-Fri Evgs 8.0. Mat Wed 3.0. Sat 5.0 & 8.30. ALAN AYCKBOURN'S new comedy SEASON'S GREETINGS.

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ASTORIA RESTAURANT THEATRE. Charing X Rd (opp. Centre Point). BOX OFFICE 01-437 6565-6. Doors open 6.15—cocktails. FULL CARVERY DINNER FOLLOWED BY THE FUN MUSICAL WILD, WILD WOMEN at 8.15. £10, £12.50, £15 inclusive. Tickets excluding dinner £6. Instant credit card bookings 930 9232. Red group bkgs 839 3092.

BARBICAN. S 01-628 8795. CC 01-638 8891. (Mon-Sat 10am-8pm, Sun 12.30-8pm). 24-hr info 01-628 2295. ROYAL SHAKESPEARE COMPANY. BARBICAN THEATRE today 2.00 mat & 7.30pm ALL'S WELL THAT ENDS WELL (runs approx 3½hrs). Next perf A MIDSUMMER NIGHT'S DREAM July 6. HENRY IV Part II seats avail July 9. Day seats £3.00 from 10am. THE PIT today 2.15mat & 7.45pm MONEY by Edward Bulwer-Lytton (runs approx 2¾hrs). Next perf A DOLL'S HOUSE 6 July. Seats avail OUR FRIENDS IN THE NORTH July 8, 9, 10. Booking now open for perfs from 20 July TWIN RIVALS. THE WINTER'S TALE. RSC also at Aldwych/Piccadilly.

BARBICAN HALL. Barbican Centre, EC2. CC 01-638 8891. Reservations: 01-628 8795. Ton't 8.00pm. Tchaikovsky Evening with Elisabeth Söderström and Benjamin Luxon. Conductor Edward Downes. Excerpts from Eugene Onegin. Symphony No 5. Tomor 3.00pm. Ladbroke Lecture Concert. London Symphony Orchestra. Hans Werner Henze conductor. John Amis lecturer. Henze: Barcarola. 7.15pm. English Chamber Orchestra. Jean-Bernard Pommier conductor and piano. Debussy: Petite Suite. Fauré: Ballade for piano and orchestra. Berg: Seven Early Songs. Mozart: Concerto in [illegible]. Ravel: Suite 'Mother Goose.' Some seats still avail.

CAMBRIDGE. CC 01-836 7488-6056-7040. SUSANNAH YORK, TOM BELL, TOM BAKER, RALPH BATES, PAULA WILCOX & IRENE HANDL in HEDDA GABLER. 6 weeks only. Eves 8.0. Thur & Sat 5.0 & 8.0.

CHICHESTER FESTIVAL THEATRE. 0243 781312. Season sponsored by Martini & Rossi Ltd. VALMOUTH. Today 2.30 & 7.30.

COLISEUM. 836 3161. CC 240 5258. Hotline CC 930 0731. Last 2 perfs. NUREYEV FESTIVAL. Today Mat 2.30 Tkts avail. Ton't 7.30 Sold Out. Ballet Theatre Francais. HOMAGE TO DIAGHILEV: LA BOUTIQUE FANTASQUE, SPECTRE DE LA ROSE, L'APRES-MIDI D'UN FAUNE, PETROUCHKA. Rudolf Nureyev will dance at both performances.

COLISEUM. S 836 3161. CC 240 5258. ENGLISH NATIONAL OPERA. Season opens July 24. Rep. incs. TOSCA, CARMEN, MAKROPOULOS CASE, BARBER OF SEVILLE. Box office opens Mon next July 5.

COMEDY THEATRE. S 930 2578. Credit card bookings 839 1438. Grp sales 379 6061. Mon-Fri 8.00. Sat 8.15. Mats Thur 3, Sat 5.15. Price £2.50-£7.00 (not suitable for children). STEAMING by NELL DUNN.

COVENT GARDEN. 'S' 240 1066. Access/Visa 836 6903. 65 amphiseats avail for all perfs (Mon-Sat) from 10am on the day. THE ROYAL OPERA Ton't, Tues & Fri at 7.30, Fidelio. Mon & Thurs at 7.30, La Sonnambula. Wed at 7.30, Der Freischütz (OAP's & S £5 the before perf, subject to availability). CELEBRITY CONCERT Tomor at 8.00pm. Jose Carreras. THE ROYAL BALLET in THE BIG TOP BATTERSEA PARK. Sponsored by Midland Bank. 5-24 July. Romeo and Juliet. 5, 6, 8 & 9 at 7.30, 7 & 10 July at 2.00 & 7.30. Manon, 12 & 13 at 7.30, 14 July at 2.00 & 7.30. Napoli Divertissement, Scenes de ballet, Elite Syncopations. 15 & 16 July at 7.30. Tkts £3, £5, £8. BALLET RAMBERT in THE BIG TOP BATTERSEA PARK. July 27-August 7. Booking as for Covent Garden.

CRITERION. S. Air-cond. 930 3216. CC 379 6565. Grp. reduction 836 3962. Mon to Thur 7.30. Fri & Sat 6.00 & 8.45. Over 300 performances. DARIO FO'S COMEDY CAN'T PAY? WON'T PAY! Students all seats £2.50.

DONMAR WAREHOUSE. 41 Earlham St. S. CC 01-836 1071/379 6565. ALFRED MARKS in AUNT MARY by Pam Gems. Eves 8. Sat 5 & 8.15.

DRURY LANE Theatre Royal. CC 01-836 8108. Grp sales 379 6061. TIM CURRY, PAMELA STEPHENSON, GEORGE COLE, ANNIE ROSS in THE PIRATES OF PENZANCE. Eves 7.30. Mats Wed & Sat 3.0. Credit card Hotline 930 9232.

DUKE OF YORK'S. 836 5122. CC 836 9837. Group sales 379 6061. Mon-Thur 7.45. Fri 6 & 9.15. Sat 5.15 & 8.30. Billy Connolly & Patrick Ryecart in J. P. Donleavy's BALTHAZAR.

GARRICK. CC 836 4601. Eves 8. Mats Wed 3, Sats 5 & 8. 12th HYSTERICAL YEAR OF THE LONGEST-RUNNING COMEDY IN THE WORLD. NO SEX PLEASE WE'RE BRITISH. Directed by Allan Davis. Group sales Box office 379 6061. Credit card bookings 930 9232.

GREENWICH. S CC 01-858 7755. Noel Coward's DESIGN FOR LIVING. Evgs 7.45. Matinees Sat 4.0.

GLOBE. S CC 437 1592. Mon-Fri 7.30. Sats 5.0 & 8.0. GERALD HARPER, VIRGINIA McKENNA in A PERSONAL AFFAIR.

HAYMARKET THEATRE ROYAL. 930 9832. Until July 7. Evgs 7.30. Mats Wed 2.30. Sats 4.0. PETER BARKWORTH, ANTHONY QUAYLE, MICHAEL DENISON in A COAT OF VARNISH. A new play by Ronald Millar, suggested by a novel by C. P. Snow. Dir. by ANTHONY QUAYLE. RUNNING IN REPERTOIRE WITH HOBSON'S CHOICE & CAPTAIN BRASSBOUND.

HAYMARKET THEATRE ROYAL. 930 9832. July 8-July 21. PENELOPE KEITH in HOBSON'S CHOICE. A comedy by Harold Brighouse. Directed by Ronald Eyre.

HAYMARKET THEATRE ROYAL. 930 9832. July 22 to July 31. PENELOPE KEITH in CAPTAIN BRASSBOUND'S CONVERSION by Bernard Shaw. Dir. by Frank Hauser.

HER MAJESTY'S. Air-cond 930 6606-7. Group sales 379 6061. Eves 7.30. Sat mat 3.0. FRANK FINLAY in AMADEUS by PETER SHAFFER. Directed by PETER HALL. Credit card Hotlines 930 9232 or 930 4025-6.

KING'S HEAD. 226 1916. Dnr 7. Show 8. MARRY ME A LITTLE songs by Stephen Sondheim.

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COLLECTING

Change of taste

BY JANET MARSH

UNTIL fairly recently, collectors thought of "Worcester Porcelain" strictly as the 18th-century wares produced by the first factory established in the city. The great ceramic historian W. B. Honey voiced a fairly generally shared disregard for the later productions and the rival factories: "After the change of management on the death of William Davis in 1783, the good taste which had governed the work began to give place to pretentiousness and an elaborate pomposity.... The taste in decoration shown at Chamberlain's was on the whole worse. . . ."

It is true that a lot of later Worcester wares tended to meretricious display of virtuoso techniques in potting and painting, and responded to the *nouveau riche* taste of later Georgian and early Victorian England. The last decade or so has, however, seen a revived appreciation of later Worcester porcelain, stimulated by scholarly research into the history of the factories.

At the forefront of the research has been Geoffrey Godden, whose passion to put English ceramic history in order will certainly go down to history. Mr Godden has produced a series of standard works on pottery and porcelain marks which have more or less supplanted everything else in the field. Gradually he is working through the major 19-th century manufacturers, having already completed definitive histories of the Minton, Ridgway, Mason, Coalport, Coalbrookdale, Caughley and the Lowestoft works.

His latest contribution is a massive monograph on *Chamberlain-Worcester Porcelain 1788-1852*, just published by Barrie and Jenkins at the fairly massive price of £55 — though in the way of standard collectors' books, it is likely to keep its value, financial as well as reference.

Worcester is a particularly fruitful field for the historian, thanks to a certain Mr R. W. Binns. Mr Binns went to the Worcester porcelain factory in 1851 and in 1862 established the Worcester Royal Porcelain Company, which still maintains the city's ceramic tradition. Mr Binns, happily, had a strong archival bent, and carefully fully preserved all the old factory records, using them to write his own history of Worcester Porcelain in 1865.

Themanufacture of soft-paste porcelain began in 1751: Worcester was one of several centres where the "mystery" of emulating Chinese porcelain was discovered in the middle years of the 18th century. The original establishment was a consortium of gentlemen of whom the most prominentl was Dr John Wall: porcelain of the classic period is still called "Dr Wall Worcester" even when it was made in the years after his death in 1776.

In 1783 Thomas Flight, who had been the company's London agent, bought the firm for his two sons, and in 1788 they received the Royal Warrant. Around 1786, however, their first apprentice Robert Chamberlain seceded, taking with him a number of Flight workmen, to set up his own factory. Mr Godden applies a lot of forensic skill to untangling the exact history of these years. At first Chamberlains were simply decorators, ornamenting blanks mostly derived from the Caughley factory; but by the early 1790s they were firing their own porcelain which, like all the Worcester production, was of exceedingly high ceramic quality.

Chamberlains soon competed for prestige orders. In 1802 Nelson visited the factory and placed an order so large that it had regrettably not been completed by the time of Trafalgar. In 1811 the Prince Regent ordered a massive and highly decorated service that cost the colossal sum of £4,000.

The earliest Chamberlain productions tend to be rather chastely decorated tea wares. Chamberlains favoured the peculiarly Worcester taste for spiral fluting, called "shanking," which was rather badly suited to the enamelling which was the factory's particular glory. From the first quarter of the 19th century, however, wares were more deliberately designed to show off the work of the gifted painters employed at various times, most notably Thomas Baxter and the accomplished miniaturist, Humphrey Chamberlain (damningly faint-praised by W. B. Honey for his "laborious meticulousness."

In the declining years that followed the merger of the two former rivals had led up to a poor showing at the Great Exhibition in 1851, Chamberlains introduced new lines: door furniture, encaustic tiles and an elaborate pierced ware unhappily inspired by Sèvres. In the preceding half-century however the firm's production was so extensive and varied that a collector can happily devote his life to one speciality—tea-pots, cottages, scent bottles, animals, baskets, beakers, bell-pulls or "cabinet cups"—cups and saucers made singly or in pairs, intended only for ornament and to show off the decorator's art.

Dealing at length with the considerable staff needed to maintain the huge output, Mr Godden reproduces an amusing and touching document, the Rules and Regulations for employees in 1851. Workers' hours were from 6.30 am to 6 pm except on Saturdays, when they stopped work at four and spent the hour before wages were paid out at five, in cleaning the premises.

Insurance policies

GARDENING

ARTHUR HELLYER

ONE OF the lessons to be learned from last winter was the desirability of having reserve plants of anything that might be at risk from excessive cold or wet. Fuchsias, even when described as hardy, will only withstand a limited amount of frost and the same is true of penstemons, perennial wallflowers and many pinks, especially those that keep on flowering until the autumn. Hebes, all kinds of ceanothus, rosemary, cistus, escallonias, shrubby senecios and many other popular shrubs disappear in their thousands and even some nurserymen who did not have their young plants adequately protected suffered heavy losses though those who did bring their stocks safely through will remember 1982 as a very good year for trade.

A great many shrubby and semi-shrubby plants, including all those just named, can be increased readily by cuttings taken some time between June and September. If a propagator with a plastic top and built-in soil warming is available the range of plants that can be increased by summer cuttings will be extended but even with nothing more complex than a supply of polythene bags and flower pots a very satisfactory level of success can be achieved.

The best shoots to choose as cuttings are those that are growing sturdily from plants in good health. Spindly, starved growth does not make good cutting material though I would use it if nothing better was available but then the percentage of cuttings that could be expected to root will be reduced.

The ideal time to take summer cuttings is when the first flush of growth is coming to an end and the young stems are beginning to get firm at the base. This will depend on the kind of plant and the place in which it is growing. The length of the cutting will also vary with the species. Heather cuttings may be no more than 1-1½ in long, buddleia cuttings as much as 6 in. Young shoots flag rapidly when severed from the plant unless put immediately into a polythene bag but this is usually only necessary when collecting cuttings from another garden. At home it is better to gather a few at a time, get them inserted and then return for more.

All cuttings are at some risk from diseases caused by fungi, especially grey mould and the damping off diseases that flourish in the warm, damp, close conditions that cuttings require until they are rooted. To counter these dangers the stems to be used as cuttings can be dipped into a solution of fungicide prepared as recommended by the makers for spraying. Captan is the ideal chemical to use as it seems to promote root formation as well as to kill fungi but it is becoming increasingly difficult to purchase in small packs for garden use. Failing it, any general garden fungicide can be used.

Almost all summer cuttings are prepared by slicing through the stem at right angles and immediately below a joint and carefully removing the leaves from the lower third of the cutting which will be buried in the soil. I use old razor blades for this purpose but a sharp knife is a safer tool. The important thing is that all cuts should be clean.

Since cuttings are so highly vulnerable to soil borne diseases, it is wise to use a compost that is as nearly free from these as possible. Ready made cutting composts can be purchased or they can be made at home with two parts of moss peat to one of either sand or perlite. Personally, I prefer perlite to sand because it is easier to obtain the right horticultural grade whereas sand can vary enormously both in texture and alkalinity. The ideal is a gritty sand of granitic or sandstone origin.

The best place for pots of summer cuttings is in a lightly shaded greenhouse or frame but they can also be stood on window ledges that are not too baking hot on sunny days or even out of doors in a sheltered place. When growth is seen, the rubber bands are removed or the propagator lid slightly tilted so that more air circulates. After a further day or so bags can be removed or propagator opened and then very soon the cuttings will need to be potted singly in a seed or potting compost containing some nourishment, which is almost completely absent in the peat and sand or perlite mixture.

SPORT

Ben Wright looks at champions old and new

The glorious Top Twenty of golf

IN A recent issue of The New Yorker that most charming and erudite of American golf writers Herbert Warren Wind gave his fascinating ranking of the top ten golfers of all time. There seems little doubt in my mind that after Tom Watson's momentous first victory in the U.S. Open at Pebble Beach Wind may have cause to revise his list in a few years time to include this brilliant 32-year-old from Kansas City.

I found myself immediately disagreeing with Wind when he nominated Ben Hogan, Harry Varden, Bobby Jones and Jack Nicklaus to share top ranking in his list, and arbitrarily decided that my list of the leading golfers of all time should extend to 20 rather than ten. This decision was made because Wind, in quite correctly nominating Vardon, chose completely to overlook the great man's sparring partners James Braid and John Henry Taylor, better known as "J.H." in the legendary trio who became known as the "Great Triumvirate."

For those unfamiliar with these three giants, Braid won the Open in 1901, '05, '06, '08 and 1910; Taylor won it in 1894, '95, 1900, '09 and '13; and Vardon in 1896, '98, '99, 1903, '11 and '14. Vardon, originator of the overlapping grip that bears his name, also won the U.S. Open in 1900, when Taylor was runner-up.

He lost the historic play-off, as did Ted Ray to the American amateur Francis Ouimet in 1913, and tied for second place behind winner Ray in 1920. Braid was three times runner-up in the Open, Taylor six times, and Vardon four.

Braid and to a greater extent Taylor did much to establish the British PGA as founder members and, in the words of Bernard Darwin the latter "turned a feckless company into a self-respecting and respected body of men." So I believe that if there is no place for these two in Wind's top ten there certainly is in my top 20.

Wind put Walter Hagan on his own just below his top four and few would argue, least of all myself. Apart from Hagan's 11 major championship victories between 1914 and 1929, during which era he won four British, two U.S. Opens and five USPGA Championships, the "Haig" was a genuine character who would be very welcome on the rather sterile tour of today.

In those days the USPGA Championship was a matchplay tournament, as it should be today if it is to survive as one of the four major titles in face of such genuine opposition from the Tournament Players' Championship.

On the tier just below Hagan, Wind places Gene Sarazen, who was 80 years young on February 27, Sam Snead, 70 on May 27, Byron Nelson, 70 on February 4, and South Africa's Garry Player. Here again I find myself at odds with Wind, because Bobby Locke was certainly the best putter I ever saw—he won four British Opens, and completely dominated the American tour in the late 1940s, in spite of a disgraceful decision by certain bitterly jealous American players to suspend him indefinitely on a questionable technicality. Locke was reinstated and returned to dominate the tour before turning his attentions to a European arena. He certainly merits a place in any list of the top 20 golfers of all time.

I am in no way trying to downgrade Player, who has won well over 100 events worldwide, but I believe Locke to have been at least his equal. And in that case Australia's Peter Thomson must get his due reward for five British Open victories in the period between 1949 and 1965 when he and Locke won their nine championships.

Arnold Palmer gets the final place in Wind's top ten, but by now I have extended my personal list to 14, who between them have won no less than 114 major titles. Who would get my last six nominations?

If Palmer is the man who elevated the sport to its present level Ouimet who, apart from his famous 1913 U.S. Open win against all the odds won the U.S. Amateur twice, was really the man who put golf on the map in America.

Tom Watson . . . momentous victory

Watson was elevated to my list when he at last added the U.S. Open title to his three British and two Masters victories. Likewise Lee Trevino, who won the U.S. Open in 1968 and 1971, the British in 1971 and 1972, and the USPGA Championship in 1974, could not be excluded despite his repeated failures at Augusta.

After this pair the list becomes entirely personal, and more than a little blurred. I have a soft spot for young Tom Morris, who won the Open Championship belt outright for his three successive victories at Prestwick in 1868, '69 and '70. The event lapsed in 1981, but Morris won it again in 1872.

There is little doubt that Morris would have gone on to greater things had he not died of a broken heart at the age of 24 only months after his wife had died in childbirth in 1875.

Many other candidates were the victims of various wars and those who were not killed sacrificed their best years, among them Henry Cotton. But apart from his three British Open wins it was Cotton who obtained entry to clubhouses from which they had been largely excluded for British professionals—a considerable achievement in social history.

Lawson Little is another character from a bygone era who commands enormous respect for winning the Amateur Championship of both Britain and America in both 1934 and 1935 before turning professional in 1936. Little went on to win the U.S. Open in 1940.

The last place in my top 20 had to go either to Tony Jacklin, winner of the British and U.S. Opens within a 12 months period in 1969 and 1970, and current British PGA champion, or Roberto de Vicenzo. The peerless Argentinian has won close to 250 tournaments worldwide, including more than 40 national titles.

De Vicenzo became the oldest ever winner of the British Open at Hoylake in 1967 when 44 years and 93 days old; and the most tragic ever loser of the Masters the following spring when his sketchy mathematics failed him.

It is an impossible choice. So because golf has done so much for international goodwill how about giving my last place to the beloved de Vicenzo, a man without enemies, and not to my friend "Jacko," who is still rightly idolised in my native Britain?

This time it's Peacetime

RACING

DOMINIC WIGAN

PEACETIME, the only colt travelling every bit as well as Golden Fleece until his stamina gave out two furlongs from home in the Derby, is given a confident vote over Kalaglow in today's Coral-Eclipse at Sandown.

Now racing over a stiff mile and a quarter trip tailor-made for him the Nijinsky colt looks set to recapture the form which saw him outclassing a more forward rival in Be My Native.

On that occasion forcing tactics were employed on Peacetime by Eddery and it will be interesting to see if the Irish jockey (now reunited with Peacetime following his call up for Golden Fleece) will adopt a similar policy this time or whether he will try and conserve Peacetime's energies for a late thrust at Kalaglow.

Off the course for the whole of last season after the Derby through a ligament injury, Kalaglow ran his field ragged from a long way out in Newmarket's Earl of Sefton Stakes on his return and again meted out similar treatment to his rivals in a record time when powering to an eight lengths success over Silver Season in the Brigadier Gerard Stakes six weeks ago.

A disappointment in between those successes when among the last home in Longchamp's Prix Ganay Kalaglow will present problems for Peacetime in all probability; but I somehow doubt his ability to hold the colt close home close home.

While such top flight jockeys as Steve Cauthen, Greville Starkey, Pat Eddery and Cash Asmussen are vying for the honours at Sandown, Lester Piggott and Willie Carson will probably be concerned in a finish or two at Haydock. Both may be out of luck in the Lancashire Oaks in which Top Hope can spring a surprise but Military Band is taken to give Piggott victory in the 184th year of the Old Newton Cup.

SANDOWN

1.45—Favoridge**
2.15—Seven Hearts
2.55—Peacetime***
3.30—Inuvik
4.00—Prince Maj
4.30—Divine Madness

HAYDOCK

1.30—Shearwalk*
2.00—Grey Mercy
2.30—Military Bank
3.05—Top Hope

BATH

3.30—Tender Trader
4.00—Watet Khet

WORLD CUP DIARY

GROUP A: USSR v Poland (Barcelona, 8 pm tomorrow, live on BBC);

GROUP B: Spain v England (Madrid, 8 pm, Monday, live on ITV);

GROUP C: Brazil v Italy (Barcelona 4.15, Monday, live on BBC);

GROUP D: Northern Ireland v France (Madrid, 4.15 tomorrow, live on ITV).

SEMI-FINALS: Thursday—A v C (Barcelona, 4.15); B v D (Seville, 8 pm).

The third-place play-off will be next Saturday at Alicante and the final on Sunday, June 11, in Madrid.

It's the old one, two

WIMBLEDON

JOHN BARRETT

AFTER ONE memorable semi-final and one predictable one we have come to the women's final today which the seeding committee forecast — Martina Navratilova the No. 1 seed against Chris Evert Lloyd, seeded No. 2.

It was really no surprise that Miss Navratilova who has lost only one match in 1982 and has won 13 out of her last 15 tournaments should have beaten Betina Bunge of Germany 6—2 6—2.

The only glimmer of hope for the 19 year old whose chequered background makes her the most cosmopolitan of all the international players (she was born in Switzerland grew up in Peru, lives now in Florida and plays for Germany because her father is German) came at the start of the second set where she broke Miss Navratilova for the only time in the match.

The indignity of trailing 0—2 to somebody ranked 10 places below her on the computer spurred the top seed to her finest and fiercest form. Serving with intimidating power and picking the spots for her service return at will she reeled off six games for the match losing only five points in the process.

The other match was a classic, with Billie Jean King playing her 104th singles match at Wimbledon on her 20th appearance in singles and her 13th match in the semi-finals against the defending champion it had all the ingredients of a great match. We were not disappointed.

Visibly nervous Mrs Lloyd started the match tentatively but nevertheless broke Mrs King to lead 3—2 but immediately lost her own serve as her attempted backhand pass against the eager volleying of Mrs King fell out.

There were no more breaks of service as the pattern of the match become established—Mrs King forever attempting to press her attack from the net and Mrs Lloyd defending her baseline area with those familiar line-clipping passes intermingled with well-disguised lobs.

It was the classic confrontation of the serving volleyer against the baseliner, and we had last seen it here in 1978 in a quarter final which Miss Evert as she was then won 6—3, 3—6, 6—2. Curiously the last time Mrs King had scored a win against the Florida-born girl who succeeded her as the U.S. number one was also here at Wimbledon in the 1975 semi-final.

The way Mrs King rallied in the second set from 1—2, 0—30 with a sweep of five successive games that levelled the match at 6—2 revived memories of that 1975 success. Then she had also won the middle set 6—2 and had gone on to win the third 6—3.

But this time the 38-year-old legs of Mrs King had lost some of their spring though the spirit still burned brightly as the six-time former champion strove to retain the winning touch. But now she was half a yard slow to the passing shot as Mrs Lloyd, remaining coolly indifferent to the attempted volleying coups continued to find the line on the important points with her drives.

With Mrs Lloyd poised on the brink of victory following a beautifully controlled forehand return of a wide first serve at 30-all as Mrs King served at 2—5 the weather which has plagued the championships from the start added an element of drama. With rain falling Mrs Lloyd attempted to convert this first match point with a backhand down the line which fell inches out. So sudden and sharp was the shower that the players gathered their belongings and ran for cover

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An expensive education

THERE IS no reason to believe that the bedside reading of Mr Ray Buckton, the Aslef general secretary, extends to the Bank of England Quarterly Bulletin. More the pity, since the latest edition published this week contains a message that is highly relevant to his membership as it prepares for an all-out strike starting at midnight tonight. The instructive reading is to be found in a table on corporate profitability. It shows that pre-tax real rates of return in British industry and commerce reached their lowest ever recorded level in 1981 of 2.7 per cent.

The first lesson implicit in this bleak statistic, which should be read in conjunction with last month's unemployment figures, is purely historic. It is that the present Government's initial attempt to control inflation primarily through monetary restraint succeeded mainly in protecting real wages at the expense of profits and employment. The total of Britain's unemployed would probably not now be running at more than 3m if wage bargainers in the private sector had been able to grasp the implications of monetary policy, particularly for the exchange rate.

Price paid

There was, to put it at its simplest, a failure of communication. Needlessly high unemployment is the price that has had to be paid for educating people in the realities of free collective bargaining in the private sector in a period of monetary constraint.

The second lesson can be gleaned from a more detailed analysis of the figures. The underlying trend in real profitability is not quite as gloomy as it looks because profits have been heavily depressed by redundancy payments which secure future profits by raising labour productivity. It seems probable, too, that investment in labour-saving and energy-saving technology has been accompanied by accelerated scrapping of obsolete capital equipment, so that the estimate of capital stock in the national income accounts has been increasingly overstated of late; this would have the effect of artificially depressing returns.

Note, too, that rates, which are one of the fastest growing components of companies' costs, are classified as a cost of production rather than a tax. The Bank of England believes that the pre-tax real rate of return between 1978 and 1981 would have been about one and a quarter percentage points higher if rates were excluded.

Among the home truths that these points underline are that the pressure for productivity is much greater in the market sector of the economy where the discipline of redundancy operates; and that the immunity enjoyed by much of the public sector, including local government, from redundancy imposes a cost on everyone else. The market sector cannot go on providing a free lunch in this way *ad infinitum*.

BR's chairman Sir Peter Parker has insisted that pay and productivity on the railways should be rigidly linked. This is entirely reasonable given that British Rail is expected to lose £165m in the current year and already enjoys substantial subsidies to keep open uneconomic lines. But although Sir Peter has been warning all concerned that there may be no jobs to go back to in the event of a prolonged strike the message has only partly sunk in.

While delegates at the annual conference of the National Union of Railwaymen overturned a strike call by the left-wing executive of the union on Monday, the more militant Aslef refuses to accept British Rail's proposals for flexible rostering except to a modest and experimental extent.

Implications

Trade unionists pay attention to the long term implications of declining profitability when they decide that the survival of the enterprise is at risk. By now the writing is, so to speak, on the engine shed wall. Today British Rail can no longer take for granted that the government will continue to see it as an essential public service.

The writing is similarly on the wall for the Civil Service. The Megaw report, the proposals of which we published this week, proposes radical changes in the Civil Service pay system, involving a shift towards a more market-related method of pay determination. Crucial among the recommendations is the suggestion that the system will provide for the reconciliation of the cost of civil service pay settlements with national, economic and financial considerations.

The problem in the public sector is not so much one of communication, as about human reactions. Everyone knows that pay restraint is desirable, but no one individually wants to strike a wage bargain that falls below the average. Structural adjustment imposes a burden that everyone will put off if they can and institutions, not least craft unions, are not designed to accommodate change.

The Associated Society of Locomotive Engineers and Firemen, to give it its full, period-piece title, has been trapped by its history into a costly struggle for survival instead of seeking to adapt to a world in which high-cost, low-efficiency railways have no future except as part of the leisure industry. As in the private sector, education in the reality of pay bargaining may yet prove to have a sadly high cost.

THE RAIL STRIKE

Why BR has got tough

By Philip Bassett, Labour Correspondent

BRITAIN'S railways will be strike-bound from midnight tonight for the second time in a week unless some desperate last-ditch peace initiative can persuade the train drivers' union Aslef to call it off.

But in a week of extraordinary developments on the railways, perhaps the most remarkable of all has been the new, hard-line attitude of the British Railways Board to industrial relations.

The week began with the National Union of Railwaymen's annual delegate meeting voting to suspend a strike over pay and productivity called by its executive. The stoppage, which began on Monday, was over by Tuesday night.

But less than 24 hours later, leaders of the Associated Society of Locomotive Engineers and Firemen had called a strike from tonight over a different productivity issue—flexible rostering.

Although the two strikes have separate immediate causes, they both result from long and complex negotiations between British Rail and the unions to improve productivity—to bring about changes the Board says are vital to safeguard the industry's future.

In the past the BR Board has always adopted a softly-softly approach favoured by the generally conciliation-minded professionals in its industrial relations department and personified by Mr Cliff Rose, BR's industrial relations Board member.

However, there is now clear evidence all that has changed. The hard-liners have taken over—in the BR Board, in the Cabinet and in the Department of Transport—and even Mr Rose is uneasily adopting the new philosophy.

Sir Peter Parker, BR's chairman, said yesterday: "I do not believe in confrontation as a way of life." Under the old conciliatory line, that would have been it; under the new hard-line policy, he added: "Let us be clear that this time a compromise is out of the question."

The new, tough mood in Rail House has taken a number of concrete forms:

● Pay. BR has withdrawn its offer of 5 per cent from September because of last Monday's NUR strike.

● Finance. The Government will hold back payment of the Public Service Obligation grant, paid to subsidise unprofitable but socially necessary railway lines during the Aslef strike.

● Laying off staff. Employees who turn up next week when the Aslef strike is in force will be paid—but after that the BR Board will review the position. It is expected that the board will have little choice but to stop payment of all staff after that, because the Government will stop the £16.5m weekly PSO grant, and because BR has strict limits on the amount of its short-term borrowing.

● Closed shop. BR broke the threat of internal union discipline against non-strikers—which under a closed shop agreement could lead to them losing their job—by saying that for both the NUR and Aslef strikes, loss of trade union membership would not be cause for dismissal.

● Arbitration. Even after the NUR agreed to call off its strike, and put the issue to arbitration at the Railway Staffs' National Tribunal under Lord McCarthy, BR specifically stated that meeting any award would depend on BR's financial position.

● Direct appeals. Frustrated by what Sir Peter claims is an instruction by the Aslef executive to its members not to talk to BR about flexible rostering, BR has circumvented union leaderships to write directly to Aslef members and before them all railway staff, asking them to defy their unions and refuse to strike, and laying great stress on the threat to their own jobs if they followed union instructions.

● BR has been prepared to abandon its own compromise proposals in the key productivity area of flexible rostering and simply impose the rosters. Then, having finally won from Aslef the major concession of agreeing to an experiment on rostering, it has refused to lift the imposition of the new rosters until Aslef calls off its strike.

Why the change? There are a number of reasons. Perhaps the most important is a marked shift in the attitude of the Government. In the winter, with demand for such key rail freight items as coal high and stocks being depleted, Ministers seemed unready for a major fight. Now, though, buoyed up by the Falklands success, the Government attitude is to stand firm and support BR—even if it means a long strike of, say, three months.

This firmness has reinforced the view of the hard-liners in BR, who felt that the Board should have stood up and fought in August last year when a national rail strike was narrowly averted by a fudged compromise, and in February this year, when the whole issue was put to Lord McCarthy.

BR has slowly—and with difficulty for an industry where the unions play such a large part in planning and shaping policy—begun to perceive a gap between the union leaderships and their members.

About 90 per cent of NUR guards have accepted flexible rostering, despite the arguments against it by the NUR left. The calling off of the NUR strike by its annual delegate meeting this week in Plymouth showed the gap clearly.

An internal BR poll—statistically limited, but probably no more unrepresentative than some union executive viewpoints—showed that most railway workers opposed a strike, and thought if there was one the Government would reduce the size of the network. Of NUR members sampled, 66 per cent were against a strike. The Aslef vote at 53 per cent was lower—but still a simple majority.

Perhaps even more significantly for BR's new policy—adopted from BL—of direct appeals to the workforce was the fact that 87 per cent of the NUR members polled thought the union should have consulted them before calling a strike. Furthermore, 74 per cent of Aslef members also thought so.

BR believes now it can exploit this kind of gap—and hopes that its message on jobs will get through to Aslef members, as it did with the NUR, and crack open the unanimity of previous strikes.

Aslef itself is in a different position than in the winter. Then, it played cat-and-mouse, with one- and two-day strikes. Now, in an all-out strike, with the NUR stoppage called off, it stands isolated and exposed.

Union members may not want to lose any more pay, after losing perhaps £400 from the 17 days of strikes earlier this year. Though it has assets now of £2,605,543, the large majority of these are non-liquid: the union will not pay strike money.

Aslef has little public support—especially compared to other striking groups, such as the nurses. NUR delegates at this week's conference recognised this: how much more so for Aslef? Partly through distorted reporting, Aslef are held up as trade union ogres.

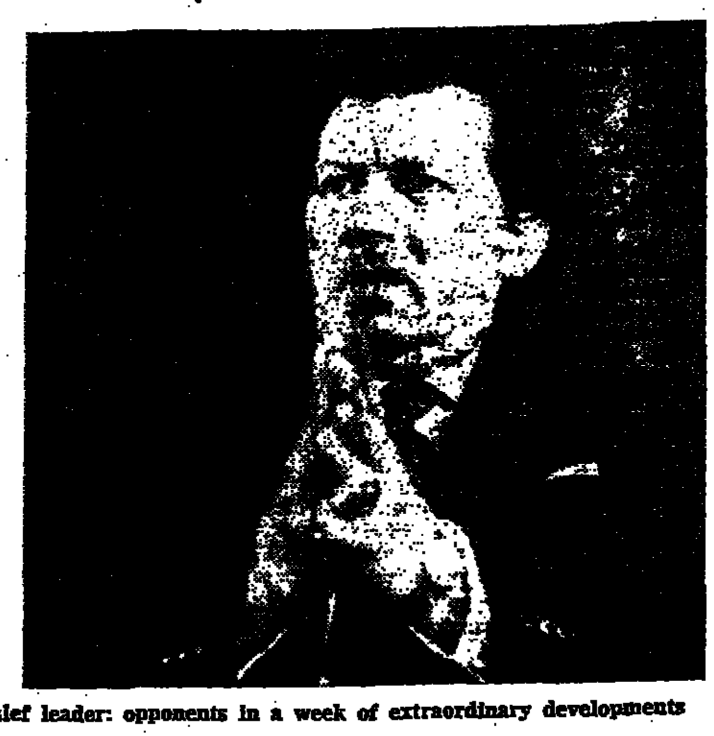
Less importantly for the public, but crucially from an industrial relations point of view, Aslef is clearly in the wrong. The case for flexible rostering has gone through the industry's negotiating procedure, and the full weight of the railway tribunal has come down in favour of BR. Aslef claims the system is unworkable; but it has lost the argument about the sanctity of procedure and agreements.

Accordingly, as BR has got harder, Aslef seems to have softened up. The union's agreement to an experiment on rostering, limited though it may seem to outsiders, is a major shift precisely because of its previous intransigence.

BR officials are suspicious. They feel that Aslef—past-master at "unofficial" and "spontaneous" strikes—might well ensure that its own experiment goes particularly well, and the flexible rostering experiment poorly.

BR has believed the unions before—perhaps once too often. In a week of extraordinarily tough moves and language by BR, one statement stood out: "BR says that enough is enough. Aslef have played the delaying game time after time, and there is no guarantee that they will deliver if the Board shows any sign of giving in now."

There could be no clearer indication of the new dominance in BR of the hard line.

Sir Peter Parker, BR chairman (left) and Ray Buckton, the Aslef leader: opponents in a week of extraordinary developments

. . . AND HOW THE BOARD HOPES TO IMPROVE PRODUCTIVITY

BR is seeking six main productivity improvements. The BR Board estimates that five to six years after implementation, the changes could mean annual savings of nearly £36m and 6,000 posts.

The six proposals, the responses from the unions concerned, and the current state of each of the initiatives are:

(1) FLEXIBLE ROSTERING.

Savings: £5.25m. Posts: 350. Union: Aslef/NUR.

Effect: Move from current rigid eight-hour shifts to more flexible 7-9 hour turns of duty

Response: Acceptance by NUR, after considerable opposition. Refusal of idea by Aslef led to 17 days of strikes in the winter, costing BR about £100m. Arbitration tribunal decision in favour of BR; Aslef rejected this. BR ready to impose new rosters: to counter this, Aslef called indefinite strike from midnight tonight.

Current state: Compromise proposal by BR—flexible rostering to be tried out in Scotland, Aslef proposals in another part of the country at the same time. Aslef now accepted this idea—but BR want strike called off before talks.

(2) SINGLE MANNING OF PASSENGER TRAINS

Savings: £1.7m. Posts: 330. Union: NUR.

Effect: Displaces guards from trains where newly-capitalised technology—electrification, signalling, rolling stock, driver/signalmen communications—allows for it. Example — Bedford — St Pancras.

Response: Refusal by NUR. Instead, union proposed a scheme to use guards to collect fares—linked with (6). On Bedford-St Pancras this would require an extra 30 guard jobs plus a 14 per cent pay increase. NUR called national strike over this issue and pay, called off this week to allow issue to go to arbitration.

Current state: Compromise proposals by NUR to run its scheme as a trial on Bedford-St Pancras from October-December. Compromise proposal from BR for another simultaneous experiment — run NUR scheme from Bedford-St Albans, and BR scheme from there to St Pancras.

(3) MANNING OF FREIGHT TRAINS

Savings: £13.5m. Posts: 2,500. Union: NUR.

Effect: Removes guards from freight trains. BR looking for three pilot schemes—including one from Port Talbot to Llanwern.

Response: Extreme NUR reluctance to accept the proposal.

Current state: Compromise proposal from NUR for a two-day examination of idea before full-scale experiment.

(4) SINGLE-MANNING OF TRAIN ENGINES

Savings: £13m. Posts: 2,300. Union: Aslef.

Effect: Breaks long-standing agreement with Aslef on double-manning by drivers in specified but widespread circumstances.

Response: None at all from Aslef. Much more serious threat to union and its members even than flexible rostering. Prospect of major confrontation with BR

Current state: No movement.

(5) TRAINMAN CONCEPT

Savings: £2.5m. Posts: None saved. Union: NUR/Aslef.

Effect: Shatters current rigid lines of demarcation between NUR and Aslef over lines of promotion to train driver. Staff would cross existing union boundaries to rise from station staff, for instance, to driver.

Response: NUR — whose members stand to gain most —is keen and has submitted its own proposal. Aslef—whose members stand to lose most—has not responded.

Current state: No movement.

(6) OPEN STATIONS

Savings: Not yet quantifiable. Posts: None saved. Union: NUR.

Effect: Replaces staff on stations by staff on trains who check tickets and take money. Automatic security machinery in stations.

Response: Good from NUR —partly because of projected link with (2) as a way out for the union of single manning.

Current state: Agreed. BR's only success out of all six initiatives.

Letters to the Editor

All the money gone

From Mr E. Owen

Sir,—In reply to readers letters and the question—what letters and the question—what is accounting for?—I would reply as follows. Proper accounting is to determine whether a company is achieving an adequate profit rate of return on its investment in trading assets. If that profit rate of return is not greater than its average cost of capital, the business is not viable.

In times of rising costs, historic cost accounting exaggerates the profit calculation and understates the value of assets being deployed in pursuit of profit. These combine to produce an overstated profit rate of return and probably for many companies, a mistaken belief that their operating performances are viable and perhaps, in the extreme, quite satisfactory.

We researched the published results of 30 manufacturing companies within the largest 1,000 UK company listing. They operated in industries that we know something about and their cost pressures. By our calculations, eight of them are not viable, six are actually losing money. Dividends paid by a further five effectively distributed all their real profits. Our calculations were based on their current cost figures or, in their absence, our reckoning related to prices indices for their industries.

The effective corporation tax rate was 79 per cent for the group as a whole although we acknowledge that this would not necessarily be all paid over to the Government.

The absence of proper accounting method during the last 20 years has resulted in quite massive reduction of the capital base of UK Manufacturing Industry. Dividend distributions and tax liabilities determined largely by reference to fictitious historic cost profits have in effect commuted industrial capital to consumer spending.

Those who oppose current cost accounting are either appallingly ignorant or prefer the conspiracy of silence. This conspiracy is one that buries truth on the grounds that it would otherwise highlight ineffectual management, government taxation without legal mandate, inflated stock market values for quoted shares and perhaps even to the extent of companies agreeing excessive wage demands that they can ill afford.

Current cost accounting is not inflation accounting and the debate should not confuse these issues. While I do not agree with all of the SSAP16 standard, I find it mildly shocking that there are members of my profession who are actually campaigning for its abandonment. We must be clear on the issues. Do we as a profession actively seek to abandon the current cost concept and retain the fiction of historic cost accounting? Are we still arguing about the approach to current cost accounting?

Inflation cannot be sensibly accounted for in corporate financial statements, although a shareholder may wish to estimate whether the increase in the balance sheet equity figures has kept pace with the general rate of inflation. The cost pressures on many companies depend upon the type of industry and the raw materials they handle, and may well be substantially at variance with the overall inflation rate. To apply indices of national inflation to such historic costs, would in my opinion produce misleading information and not least, values in money units that the company neither has nor is capable of spending.

E. W. Owen,
Owen Management and Research, 36 Camden Road, Bexley, Kent.

Lloyd's underwriters

From Mr J. D. Burrows

Sir,—The House of Lords' Committee on the Lloyd's Bill has decided that Lloyd's brokers must sell off their shareholding links with underwriting syndicates, once the Bill is enacted.

If, as would seem equitable, the brokers offer their shareholdings to the members of the underwriting syndicate, in proportion to their participation in the syndicate, all members will have an even greater interest in the running of Lloyd's and this can only happen if the present single electorate is maintained, and indeed encouraged.

It is the non-working members, who with working member witnesses, have established the need for divestment, and it is only right that this partnership should continue undivided, so that all, by their voting, retain full interest in the affairs of the Society, and the Council who control it.

Since those who appear on the present list of working members are identified from those who do not, there is no need for the contemptuous classification of "external members" and special resolutions passed by separate majorities.

Over one-third of members to whom I have written have replied agreeing the need to retain a single electorate.

The Committee of Lloyd's would be wise to make simple amendment to the Bill, now, to give effect to this and to avoid future discord.

J. D. Burrows
Copyhold,
Bury, Pulborough,
West Sussex.

Falklands war

From Mr Henry Mortimer

Sir,—All Mrs Thatcher's bluster and shamelessly blatant platitudes (e.g., "I would much rather be in the Falklands but someone has to be at Number 10") cannot hide the stark fact that her February letter to a worried Tory supporter proves up to the hilt that her arrogance in disregarding the Argentine threats caused the Falklands War. She compounds her arrogance by saying that a Labour Government would not have fired a shot. Messrs Foot and Callaghan should have replied that if Labour had been in power, as Mr Callaghan was four years ago, they would have taken the appropriate preventive action, as it was taken at that time, and then there would have been no need for firing a single shot.

It must be said quite plainly that Mrs Thatcher's and her Government's handling of the situation in the early part of this year amounts to a gross dereliction of duty and leaves them open to a valid charge of the culpable manslaughter and maiming of hundreds of valiant British Service Men. Our forces carried out the task thrust upon them with efficiency and heroism and they cannot be praised too highly; they should however never have been called upon to make, in many cases, the supreme sacrifice in order to save Mrs Thatcher's political neck!

Henry Mortimer.
140, Carisbrooke Rd,
Leicester

Judgements

From the Chairman,
London Society of
Chartered Accountants

Sir,—In recent weeks your columns have carried a series of letters commenting on the debate and forthcoming vote by members of the Institute of Chartered Accountants in England and Wales about current cost accounting.

The main committee of the London Society of Chartered Accountants at a recent meeting considered the proposal by two members of the institute that the standard (SSAP 16) on current cost accounting should be withdrawn immediately. I should like to stress that the committee of the London Society considered this resolution to be ill conceived.

Current cost accounting has been criticised for its subjectivity. Historical cost accounts however also require subjective judgements. The problem exists whatever accounting convention is used and the withdrawal of an SSAP will not remove it.

It is the view of the committee that a workable method of accounting for inflation has to be found and SSAP 16 represents a step in that process. It may or may not be the final solution but the profession will not succeed in evolving an appropriate method if it refuses to experiment. Withdrawing the Standard now can serve no logical purpose.

Clive Parritt,
London Society of
Chartered Accountants.
38 Finsbury Square,
EC2.

Inflation accounting

From Mr Nicholas Maude

Sir, — One of the first rules of accounting states that profit is the balance of net earnings remaining at the end of a given period after capital has been maintained intact. It seems to me that one of the prime errors of the accounting profession has been to produce figures which have been described as "profits," but which in no way ensured that the resources on which the health of the company depends have been adequately maintained in real terms. This can only be done by taking account of both the specific price changes that have affected the company's operations, as well as any general fall in the value of money as a medium of exchange.

Professor Myddelton (June 2) argues that "over the past 200 years the benefits claimed for current value accounting have usually been thought to be outweighed by the net advantages of historical cost accounting," but of course in times of low inflation it is likely (no more than likely) that CCA accounts will bear a fairly close resemblance to historical cost accounts.

I consider, therefore, that in order to restore the word "profit" to its rightful position, what is required is a combination of current cost and current purchasing power accounting.

Nicholas Maude.
11, Wilna Road, SW18.

Labour's reward

From Mr Stephan Schattmann.

Sir,—You report (June 28) that the CBI will tell member companies "which can afford nothing" not to pay any wage increases which are not matched by productivity improvements.

No doubt this will raise the blood pressure of many a self-respecting trade union general secretary (not to mention militant shop stewards) to danger level. May I recommend that rather than consulting their doctors, and most likely increasing the NHS prescription bill, they consult the constitution of the Union of Soviet Socialist Republics instead.

This is what they will find in the first paragraph of Article 23: "The state shall steadfastly pursue the policy of raising the level of remuneration of labour and the real incomes of the working people in keeping with the growth of labour productivity."

How encouraging to know that the CBI and the draftsmen of the Soviet constitution are at one in making productivity the determinant of the level of real wages. An incomes policy by any other name. . . .

Stephan Schattmann
65c Wigmore Street, W1.

English spoken here

From Mr Matthew Neil

Sir,—"What a different place Britain would be if the United States had chosen to speak German or French!" (Malcolm Rutherford, June 23).

Ah, indeed! Or then again—"The most important fact of modern history is that the North American continent speaks English" (Bismarck, c.1870).

Matthew Neil.
39, Arkleston Road,
Paisley.

Robert Fox, who covered the Falklands war for the BBC, reviews the campaign and the lessons to be learnt

'It was a damned close thing'

IN the beginning there was the Canberra, the voyage on Good Friday from Southampton, brass bands, nostalgia and Elgar.

The prospect that the embarked forces would actually have to fight came home fully a month later with the sinking of HMS Sheffield, and the amphibious force's departure from Ascension.

South of the southern Doldrums the final transfers of assault units were made between the ships. Aboard the ferry Norland, Lt Col H. Jones told the assembled company of 2nd battalion the Parachute Regiment that he wanted "maximum aggression in engaging the enemy." In the battle in which he was to die less than a fortnight later, aggression was just about the only weapon his men could rely on to win the day.

Conditions for the landing on May 21 were near perfect. The fleet had run towards the Falklands under low cloud, mist and blinding rain. The night was clear and starlit, but there was almost no moon. Disembarking proved difficult: one paratrooper off the Norland fell between ship and landing craft, crushing his pelvis.

When the ramps went down on San Carlos beach the first troops were already more than an hour late. For 2 Para then there was the five-mile trudge to Sussex Mountain. Men paused for rest under their enormous loads and daylight found 500 of them out in the open in bright sunshine, sitting targets for marauding aircraft. A Pucara piston-engined counter-insurgency aircraft came up the valley and was swiftly downed by a stinger grenade fired from a rifle by an SAS patrol.

The stinger has been one of the successes of the campaign, and is almost certain to replace the blowpipe portable missile. The enormous weight of the blowpipe caused many of the delays on the march to Goose Green and later across the mountains to Port Stanley. It also proved effective only against the slow-moving Pucara. "Blowpipe is the first thing to be binned after this" is the verdict of one of the brigade commanders, Julian Thompson.

The day of the landing the atacking Mirages and Skyhawks decided to go for the ships and, probably their biggest mistake, to go for the escorts rather than the transports. From high on Sussex Mountain one could see the patterns of bomb splashes around the enormous white silhouette of the Canberra. In all there were 12 air raids over the landing force. HMS Antrim had an unexploded bomb in her stern, HMS Ardent had to be abandoned after a pounding from continuous raids and was blown up in the evening in an enormous blue cloud of flame that lit the hills on Grantham Sound.

That day six frigates were hit, most by air attacks close to the Falklands. The criticism that British frigates had been too lightly armed for air defence for generations now seems entirely justified. The type 21 frigate, HMS Ardent, according to her crew whom I met aboard Canberra the day she sank, could not handle more than three attacking aircraft.

The Argentine pilots had successfully worked out the blind spot between the arcs of fire of the 4.5 inch gun forward and the Sea Cat missiles mounted astern. Sea Cat itself, a visually guided close defence weapon, now seems obsolete, though it did manage to down three or four aircraft in the fighting around San Carlos.

The apparent success story was the more sophisticated Sea Wolf, carried by the type 22 frigates like HMS Broadsworth and Brilliant. But according to some reports this too had disadvantages. Sea Wolf is a point defence weapon and would tend to defend only the ship it was in; furthermore if attacked from a number of directions at once the computer might centralise and the whole targeting

Rapier provided the ring of steel

and tracking procedure would have to begin again. Marconi sent two teams of engineers to work out override mechanisms against this.

Throughout the campaign it proved hard to get air defence frigates capable of giving blanket defence to groups of ships at sea. In a closed anchorage like San Carlos they had better fortune, backed up by the Rapier missiles on land.

Rapier, too, proved a success. Round San Carlos the dozen or so batteries accounted for at least 14 Skyhawks and Mirages. It took a day and a half after the landing to get them established on land; and the Argentine pilots again missed an opportunity in not attacking in strength on D-Day plus one when the ground forces would

The flag flies again on the Falklands

have been largely defenceless from the air. Some of the batteries had suffered from sea water corrosion during the 8,000 mile journey and several faulty generators had to be replaced early on.

Moreover, in the initial phases only the manually and visually guided Rapier was used. The radar-controlled blindfire Rapier which can work at night and through cloud came much later with the 5th Infantry Brigade. It is now well established in the air defences round Port Stanley.

Rapier provided the ring of steel behind which Brigadier Thompson began his logistical build-up for 3 Commando Brigade's push on Stanley. Until the push began only limited raids were to be mounted beyond the bridgehead.

One of these was to have been a night raid in company strength on Darwin and Goose Green by 2nd Battalion the Parachute regiment. It was cancelled from London as being too risky. The reasons why the attack on Goose Green was ordered are complex: the decision invited the most glorious defeat for a single unit since the Charge of the Light Brigade.

The immediate prelude was the sinking of HMS Coventry and the Atlantic Conveyor. Not only had another type 42 destroyer been sunk but so had nearly all the heavy lift capacity by helicopter of the Task Force. Three Boeing Chinooks went down along with a squadron's worth of Wessex 5s and this meant that the commandos and marines would have to march on Stanley by foot.

To redress the flow of bad news, according to Col. H. Jones, commanding 2 Para, it was decided in London to go for a quick victory at Goose Green. The plan was an overnight march to Camilla Creek House five miles from Darwin, to lie up for the day and attack during the night.

As the companies spread out

> It was an extraordinary attack and it so nearly came to grief

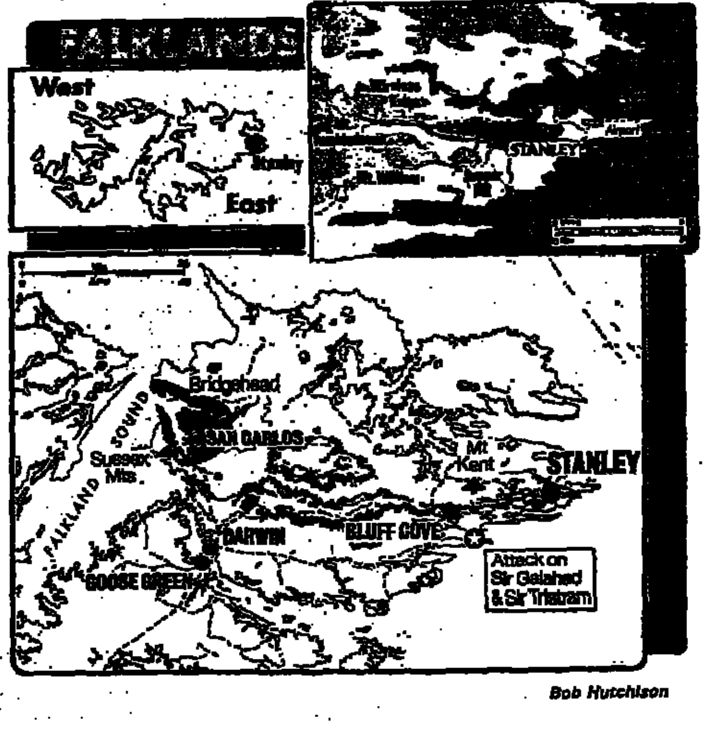
in the tussock grass after the overnight march, senior officers heard, to their amazement, a news item on the BBC World Service that 2 Para was poised to attack Darwin. How this came to be given out will now be a matter of endless debate. Some say it came from a meeting between John Nott and Tory backbenchers, others that it came from Whitehall. That night the Argentines reinforced with three companies by helicopter from the Mount Kent area. Brigadier Thompson nearly cancelled the whole thing.

No one that evening or the next could have known how risky the attack was. It was a complex six-point plan in which Col. Jones intended to place his main rifle companies ready to take the two settlements at daylight.

Because there had been a shortage of helicopters only three guns could give cover and for most of the day only two British mortars could fire.

There was to be naval gunfire to dawn from the Mark 8 gun of HMS Arrow, another type 21. The radio link was lost and for two hours the ship could offer no support. There was no air assistance either because of fog at sea, according to the Fleet. The first and only Harrier strike came in at sunset as the fighting was dying with the light.

Air cover will be one of the most hotly debated issues of the campaign. The concept of "cap" cover over the fleet hardly materialised for the ground forces. Just before the landing, the idea that the Harriers could



Bob Hutchison

provide limited air superiority was reduced to limited parity. As an interceptor, Sea Harrier proved itself but because the fleet was so far out at sea they could only offer cover for parts of West Falkland for much of the time.

The battle for Goose Green was a victory for the courage, good training and tenacity of Col. Jones and his men. For hour after hour the battalion was held down by sustained machine gun fire, mortar and artillery, accurately ranged on defensive fire zone probably worked out by map references though some may have been observed from the mountains across the bay.

As well as the crunch and ping of landing mortar and artillery, the abiding memory of that day is the stench of burning gorse, the bodies lying next to it and the steady winkling out of machine gun nests in a landscape tactically as bare and smooth as a billiard table.

The turning point was the death of Col. Jones in early afternoon attacking single-handed a machine gun position round the Gorse Line, the boundary between Goose Green and Darwin. On the ridge before it one of the forward groups, A Company, seemed in danger of being held up for a long time by a string of machine gun posts. "We've got to do something about this, Dare," H said to the company commander, and then prepared to charge one of the machine guns. His last order was "follow me." This act of almost foolish courage was typical of the man, an irascible, generous and open character.

The critical tactical reason was that the attack had to be kept going. The forward companies were running out of ammunition, and one of them later did. Mortar bombs were low, and it was hard to bring helicopters forward for re-supply and casualty evacuation as one of the battalion's Scout helicopters had just been shot down by a Pucara attack.

It was one of the most extraordinary battalion attacks in the history of British arms and it so nearly came to grief. It was due to H's example that it did not.

Equally perilous, in view of what we learnt later, was the surrender. After midday the following day 1,200 men lay down their arms on the airfield at Goose Green. They had been persuaded by the appeals for the civilian population by the acting CO Major Chris Keeble. He could hardly believe that this was agreed and that all the Air Force Commander, Vice Commodore Wilson Dosier Pedrozo, (ever with an eye on political survival) seemed to want was a ceremony as a visible sign of surrender with honour.

The Goose Green surrender also showed the weaknesses of local intelligence. The enemy, we had been told by the SAS, were defending in company strength and in poorly constructed positions. In reality

The weaknesses of local intelligence

there were nearly three battalions and the trenches had overhead cover against artillery and air bombardment.

The day after the surrender at Goose Green, Major General Jeremy Moore came ashore and, in his words, "took the political pressure" off Brigadier Julian Thompson, who began the slow and steady build up for the attack on Stanley. Guns and ammunition, each 105 mm gun to have 2,000 rounds, were flown forward and the men of 3 Para and 45 Commando marched the breadth of East Falkland.

But disaster still lurked and a few days before the attack across the mountain positions west of Stanley it struck with the sinking of Sir Galahad and Sir Tristram at Bluff Cove.

The first reason appears to be the hurry with which it was decided to move the Guards' battalions in 5 Brigade, who were to establish themselves on the southern route to Stanley. A night transfer from HMS Intrepid to the shore by landing craft had led to a drenching seven hours journey in 70 knot winds by the 2nd Battalion Scots Guards under enemy fire.

The Fleet was told not to risk another frigate, so the two fleet auxiliaries Tristram and Galahad had to go it alone in the daylight. The mystery remains why the Welsh Guards were not taken off first before their kit and the Rapier batteries, instead of staying aboard for five hours in broad daylight and being observed almost from Stanley itself.

The next Sunday disaster nearly hit Brigadier Thompson's headquarters on the ridges west of Mount Kent. The Skyhawks dropped retard bombs held back by parachutes, but in two passes missed the helicopters and the tents which contained both the Brigadier and the General. It was thought this was just a speculative raid, that perhaps the pilots had turned at the last minute seeing the helicopters' Perspex glinting in the sun.

Later signallers revealed that the Argentines were using the latest British Racal radio intercepting equipment which could plot a radio transmitter after the operator had spoken only a few words of his message, a more sophisticated piece of kit than most British units possessed.

The following night saw the final attack, a carefully co-ordinated assault of three features: Wireless Ridge, Mounts Tumbledown and William, by 2 and 3 Para, Scots Guards and the Gurkhas. By dawn the young conscripts were in flight, after a day and a night of heavy bombardment. Battery commanders screamed orders to "check all fire" as hundreds of Argentines stood helplessly trapped by the barrage on the Moody Brook logistical base and the artillery park at Stanley Racecourse.

With less than three minutes to go, Brigadier Thompson managed to call off a Harrier cluster bomb raid on Sapper Hill. But as General Moore later told me, it had been "a damned close thing." Some of his guns had fewer than 20 rounds left.

Towards evening the marines and paras moved towards Stanley. A few islanders stood in the silence of deep shock, some weeping openly. The winter campaign had distorted or destroyed their old way of life, perhaps forever.

Weekend Brief

Flying the flag in Madrid

The Spanish idea of a football fan has been given a rude shock by the antics of British supporters on and off (mostly off) the field during the World Cup. Spain is still essentially a sober-minded country with a strong sense of decorum. The sight of youths semi-naked or completely naked with tattooed chests, sloganed buttocks or gold ringed ears drunkenly and aggressively waving Union Jacks has stirred millions to scandal this week. The fans look like some distant Celtic tribe lost in the middle of the twentieth century.

The fans have had a shock too. With both England and Northern Ireland playing the second phase of the competition in Madrid they have trooped into the capital. To their dismay they have discovered that Madrid does not have any beaches, is nowhere near the sea and is terribly hot. This week temperatures were up to 40 degrees. Beer is about all they can afford as most are sleeping rough and taking time off, unemployed, with or without benefit. Another shock incidentally to the Spaniards. "But they are all so young! where do they get the money from!" Spaniards exclaim unused to the idea that it is possible to travel rough.

Most are peaceful, drugged into somnolence by the sun and drink and the long wait between matches. But there is a hard core, delighted with the prospect of tribal warfare in the full glare of international publicity. This element seems to have learned instinctively what niggles and rouses their Spanish hosts—gestures like spitting on the Spanish flag or churning out a variety of provocative songs with the words Gibraltar or Falklands somewhere in the middle. One song is a rendering of "I've got the whole world

in my arms" to the words "We got the Falklands in our hands." And as like meets like the Spanish neo-fascist movement has discovered fertile ground for a scrap.

They taunt with cries of Malvinas (Falklands) Argentina, Gibraltar Espanol or on occasions just wade in with knives. When a group of journalists pointed out to some British fans that they were likely to scrap with neo-fascists there was a grinning reply: "oh good, we're from the National Front."

There is an attrition rate of between 25 and 40 a day—hospital cases (drink and sun), arrests or people dropping because money has evaporated. For next Monday's game between England and Spain because of these tensions the police are operating a policy of strict segregation and refusing entry to anyone sniffing of alcohol. They have also declared a war on those sleeping on park benches near the stadium.

Many fewer fans have come than anticipated and this is not just from Britain. Stadiums have never been completely full and in the game between the Soviet Union and Belgium in Barcelona the crowd was not much more than 20,000 out of a 100,000 capacity. Average attendance has been 29,000 per match. Bad organisation in selling the tickets is blamed but there seems a strong element of inertia. Most Spaniards have taken the attitude of why bother being couped up in a stadium in 40 degrees when you can watch from the comfort of the living room. This is proven by the total silence each evening in the streets when matches are being played. Bar and restaurant owners are complaining bitterly that far from being the great bonanza the world cup is causing them losses.

But water could be dangerous

I RETURNED from lunch the other day to find a case of bottled water addressed to me. Now I have no objection to drinking water occasionally. But I prefer the fluid that comes out of the tap, laced with a soupçon of chlorine and fluoride, the purity of which has been verified by a chemist.

So I called the National Radiological Protection Board, the Government's watchdogs on radiation of every kind, and asked them if they would run one of their radio-activity detectors over a plastic bottle of spring water from Scotland claiming to be "so pure you don't need to boil it" for babies. Scottish granite, after all, is notoriously more radio-active than the rocks of the Home Counties.

The watchdogs soon found that they had already checked this particular brand and declared it normal enough in its activity.

Now the watchdogs are bringing their instruments into our homes, to try to assess just how much radio-activity we are exposed to. Some 2,000 homes are being asked to put small plastic pots sent through the post by the watchdogs, in their living and bedrooms and leave them there for a year. The pots are radiation meters which will measure both the rays and radon gas and from the walls and foundations.

Natural radio-activity seeping from highly radio-active rocks deep in the earth has been a steadily increasing worry of the radiation watchdogs. Ironically, they have been pushed into worrying about this source of radiation by those who have argued that there was no "safe level" or threshold below which radio-activity's consequences could be safely ignored.

The same people argue, for instance, that rather than build more nuclear stations, the Department of Energy should spend generously on sealing up homes more tightly against leaks of heat.

But many British homes are built upon—or with—materials that carry appreciable amounts of radio-activity, of a level similar to much of the so-called "low-level nuclear waste" produced in industry, hospitals, etc.

Specifically, the problem is traces of radium, a rare and radio-active metal, once used to treat cancer. Radium gives off the radio-active gas radon.

Radon gas is believed to be flushed rapidly out of the atmosphere of Britain's normally leaky homes. But the watchdogs are worried about the consequences of sealing homes tightly, keeping people sealed in an increasingly radio-active environment throughout the winter months, in light of assertions that there are no safe levels of radiation.

The natural radiation survey just begun by the watchdogs should give us a better idea of the danger. About 2,000 homes have been chosen, to try to find out nationwide whether and how radiation doses vary with geography and different building materials.

The dosemeters are being sent through the post asking people for their co-operation. They are sent four plastic pots, one each for radon and gamma-rays in each room. The pots will be replaced after six months, so each home chosen will receive 8 dosemeters to cover a year of measurements.

The radon dosemeter, for example, is a pot which allows the radio-active gas to seep in through the lid. Inside, alpha-particles—one form of nuclear radiation—are mopped up by a plastic, leaving tracks that the watchdogs can "read" back in their laboratories.

Workers of the world unite

Signs of Recession? Suddenly, the Sport of Kings faces the problems common to many struggling engineering companies, in the West Midlands. Unlikely worker representatives—Jimmy Hill, BBC's suntanned World Cup soothsayer in Spain and Lord John Oaksey, the broadcaster and journalist—have joined ranks with Ron Todd, National Organiser of the Transport Workers Union to lodge a 10 per cent plus pay claim on behalf of Britain's 3,600 stable lads.

The man who has urged the negotiators "in these difficult times" to keep costs down is Major Peter Forrest, chairman of the West Midlands Engineering Employers Association, a man more accustomed to pleading for restraint by militant car workers.

Major Forrest warned somberly: "The recession which we are now experiencing and the decline in the fortunes of industry as a whole, has its effect on racing. Owners and companies wonder if they can afford to go on. In some small yards, particularly National Hunt, I know that the point has been reached where trainers have had to cut their costs to a minimum and many have run their businesses at a loss."

In blunt terms the trainers could afford a rise of only £4.00 (5.8 per cent) to £73 a week, against the demand for £76. Major Forrest stressed that such rates were only the basic minimum and the majority of stable staff were "heavily subsidised" enjoying perks, shares of the winnings and overtime payments.

Away from the turf the going rate in the engineering industry was 6 per cent and many firms had given nothing. Perhaps with an eye to the forthcoming battle with his own blue collar workers he said increases in the public sector were likely to be in the 4 per cent region which indicated still lower settlements by private employers.

It is a matter of chance that negotiations for Britain's 474 licensed trainers should be led by a senior professional from industry. Major Forrest explains that in the wake of the bitter strike by Newmarket stable lads in 1975, Lord Weinstock, a Jockey Club member and chairman of GEC, asked his industrial relations director, the late Sir Jack Scamp, to try to sort out a more orderly system of labour relations.

"Sir Jack mentioned to me that he was looking for an animal that might not exist—a person with knowledge of industrial relations and a love of racing. I thought he was joking." Major Forrest with a father who was a member of the Jockey Club, was on horseback almost from the time he could walk. The passion remained through school at Stowe and wartime services overseas then back home as Adjutant, to the Derbyshire Yeomanry when he was a noted point-to-pointer.

Major Forrest leads the employers' team of six members of the National Trainers' Federation. Representing the stable lads, who have traditionally shown little enthusiasm for union organisation is the Transport Workers and the Stable Lads Association—a body in which Jimmy Hill and Lord Oaksey have taken a leading role.

Major Forrest apart from the tough line on pay has refused demands for the introduction of the 39 hour week conceded last November, by his own industry. He comments pointedly "I don't have to tell you that we are dealing with animals and they cannot reduce their week. They have to be looked after, exercised, trained, fed and watered."

Contributors
Robert Graham
David Fishlock
Arthur Smith

BUILDING SOCIETY RATES

	Deposit rate %	Share accounts %	Sub'pn shares %	*Term shares %	
Abbey National	8.50	8.75	10.00	10.25	1 year high option, 10.75 6 years sixty plus, 9.25-10.75 1-5 years open bondshares
Aid to Thrift	9.55	9.80	—	—	
Alliance	8.50	8.75	10.00	10.75	5 y., 10.25 4 y., 10.25 £500 min. 2 m. not. or £100+60 d. int. pen.
Anglia	8.50	8.75	10.00	10.76	6 y., 3m. not., 3 y., 2m. not 10.25 1 mth's. not. all int. loss
Bradford and Bingley	8.25	8.75	10.00	9.75	1 month's notice
Bridgwater	8.50	8.75	10.25	10.75	5 years, 9.85 2¼ years
Bristol Economic	8.50	8.75	10.00	9.50	3 months' notice and 9.75 on balances of £10,000 and over. Escalator shs. 9.25-10.75 (1-5 y.)
Britannia	8.50	8.75	10.00	10.75	5 y. option bond, 10.00 2 m. not.
Burnley	8.50	8.75	10.00	10.75	5 yrs., 3 mth. not.; 9.75 1 m. not.
Cardiff	8.50	‡9.25	10.25	9.50	on bal.: £3,000-10,000, ‡ to £3,000
Cardiff	—	10.00	—	—	£10,000 and over
Catholic	10.00	9.00	10.00	9.25	on share balances of £5,001+
Chelsea	8.50	8.75	10.00	10.00	1 mth. or on demand (int. pen.)
Cheltenham and Gloucester	8.50	8.75	10.00	—	
Cheltenham and Gloucester	—	9.75	—	—	Gold Account. Savings of £1,000 or more (8.75 otherwise)
City of London (The)	8.75	9.10	10.25	10.25	Capital City shs. 4 mths.' notice
Coventry Economic	8.50	8.75	10.25	10.50	4 yrs., 10.25 3 yrs., 10.00 3 mths.
Derbyshire	8.50	8.75	10.00	9.25-9.85	(3 months' notice)
Ealing and Acton	8.50	9.25	—	9.90	2 yrs., £2,000 min.
Gateway	8.50	8.75	10.00	10.75	2 yrs., 2 mths.' not. int. loss
Gateway	—	9.75	—	—	Plus a/c £500 min. Int. ½-yearly
Guardian	8.50	9.00	—	10.75	6 mth., 10.25 3 mth., £1,000 min.
Halifax	8.50	8.75	10.00	10.75	5 yrs., 3 mths.' wdl. notice
Heart of England	8.50	8.75	10.50	—	3 mths.' notice 9.75, 5 yrs. 10.75
Hearts of Oak and Enfield	8.50	9.00	10.50	10.75	5 yrs., 10.25 6 mth., 10.00 4 mth.
Hendon	9.00	9.75	—	10.50	6 mths., 10.25 3 mths.
Lambeth	8.50	9.00	10.50	11.00	5 yrs., 10.75 6 months' notice
Leamington Spa	8.60	8.85	11.93	10.35	1 year
Leeds and Holbeck	8.50	8.75	10.50	10.75	5 yrs., 9.75 1 mth. int. penalty
Leeds Permanent	8.50	8.75	10.00	10.75	3 yrs., E.I. a/c £500 min. 9.75
Leicester	8.50	8.75	10.00	10.75	5 yrs., 10.25 4 yrs., 9.75 3 mths.
London Grosvenor	8.00	9.25	11.00	9.75	3 mths.' notice 1 mth. int. pen
Midshires	8.50	8.75	10.00	10.25	1 year
Mornington	9.30	9.80	—	—	
National Counties	8.75	9.05	10.05	9.75	35 days' notice min. dep. £500, 10.15 6 mths.' min. dep. £500
Nationwide	8.50	8.75	10.00	10.75	5 yrs., £500 min. 90 days' notice. Bonus a/c 9.75 £1,000 min., 28 days' notice
Newcastle	8.50	8.75	10.00	10.75	4 yrs., 9.75 2 mths.' notice, or on demand 28 days' int. penalty
New Cross	9.25	9.50	—	9.50-10.00	on share accs., depending on min. balance over 6 months
Northern Rock	8.50	8.75	10.00	10.75	5 yrs., 10.25 4 yrs., 9.75 3 yrs.
Norwich	8.50	8.75	10.25	9.75	3 yrs., 9.50 2 yrs.
Paddington	8.25	9.25	10.75	10.25	Loss 1 month int. on sums wdn.
Peckham Mutual	9.25	9.50	—	10.00	2 y., 10.5 3 y., 11.0 4 y., 9.75 Bns
Portsmouth	8.85	9.05	10.55	11.10	(5 yrs.) to 10.50 (6 mths.)
Property Owners	8.75	9.25	10.75	10.75	4 yrs., 10.75 6 mth., 10.25 3 mth.
Provincial	8.50	8.75	10.00	10.75	3 yrs., 9.75 1 month
Scarborough	8.50	8.75	10.00	11.00	3 months' notice int. pen.
Skipton	8.50	8.75	10.00	9.85-10.00	28 days' interest penalty
Sussex County	8.75	9.00	11.25	10.00	2 yrs. (early withdrawal option)
Sussex Mutual	8.75	9.25	10.75	9.50-10.75	all with special options
Town and Country	8.50	8.75	10.00	11.00	5 yr., 10.75 3 yr. 60 d. wdl. not., 10 2 mth. not./28 days' int. loss
Wessex	8.75	9.80	—	—	
Woolwich	8.50	8.75	10.00	10.75	90 days (int. loss), 9.75 immed. access (int. loss) or 28 dys.' not.
Yorkshire formerly Huddersfield & Bradford and West Yorkshire	8.50	8.75	10.00	10.25	5 yrs., 10.25 4 yrs., 9.75 3 yrs., 9.25 2 yrs., 10.00 Golden key 28 days' penalty interest

*Rates normally variable in line with changes in ordinary share rates.
All these rates are after basic rate tax liability has been settled on behalf of the investor.

Sharp cut in Town & City losses

Town & City Properties returned to profit in the second half of the year to March 31, 1982. Following a reduction from £7.75m to £3.03m at midterm, the full year pre-tax deficit has been cut sharply from £11.03m to £2.94m.

In addition, although only declaring a nominal 0.01p net dividend for 1981-82 in order to maintain trustee status, the directors say they look to the future with confidence from a solid base and expect payment of a "meaningful" dividend on the ordinary capital for 1982/83.

Net income for the period under review rose from £18.05m to £[illegible].7m, with property contributing £11.92m (£9.57m), the service industry division £7.95m (£6.73m) and other services £1.84m (£1.75m).

The directors state that part of the increase in results from the property side of the business arose from the acquisition of Berkeley Hambro, results of which are included for the last two months of the year. Had results of the two groups been consolidated, they say, there would have been a profit of £2.3m for the full year.

A revaluation of the group's properties, they report, has thrown up a surplus over book value in excess of £109m.

Property sales amounted to £35m during the year, but given the improved ratio between gearing and cash flow, disposals of property will henceforth assume a rather smaller significance.

After conversion and redemption of relevant preference shares, assets per share are now 43.8p. The debt-equity ratio has been reduced from 2.8 to 0.6 and there are substantial unused facilities.

As regards interest payable, which at £24.65m (£29.08m) was responsible for the 1981-82 deficit, the directors report that a cut in variable rate borrowings has very much reduced the group's exposure to interest rate fluctuations.

For the 12 months there was a tax credit of £2.67m (£5m), which left the loss per 10p share at 0.06p (2.37p). There were minority losses this time of £106,000, against profits of £72,000.

The group has arranged options to purchase convertible preference shares owned by Barclays Bank, and the directors consider that the authority to make such purchases generally could become an important element in the company's objective to maximise the asset value per share to the benefit of shareholders.

It is pointed out by the auditors that no provision has been made in the accounts for tax liabilities which might arise if properties were to be realised at the net book value shown in the balance sheets.

See Lex

Oakwood confident despite fall

DESPITE A fall in pre-tax profits from £367,000 to £243,000 in the six months to March 31 1982, the directors of Oakwood Group believe that prospects are generally more favourable than a year ago.

The group, with interests in engineering and sanitaryware distribution, continued to experience depressed trading conditions in its wholesale distribution activities but there are now sings of an improving level of demand, which should contribute to results for the full year.

Civil and electrical engineering profits, which have mainly come from UK sources, have again held up well, and group profits for the winter period are ahead of the £231,000 recorded in the previous six summer months. However, the recession continues to affect trading.

There is an unchanged interim dividend of 2p—in 1980-81 a total of 6.5p was paid. Stated earnings per 25p share are 6.4p (10.6p). Net tangible assets per share stood at 152p (128p).

Minorities took £10,000 (£26,000) and there was an extraordinary credit of £13,000 (nil). Interest of £6,357 on borrowings related to a freehold property purchased with a view to redevelopment has been capitalised. Tax totalled £104,000 (£128,000).

Associated Fisheries ahead

A MODEST increase from £335,000 to £390,000 in pre-tax profits is reported by Associated Fisheries, the fishing and food processing group, for the half-year to March 31, 1982. Turnover increased from £29.17m to £32.23m.

Mr H. K. Fitzgerald, the chairman, says that trading conditions are seasonably more favourable for most of the group's activities during the summer months, but it would be premature at this stage to predict the final outcome for the full year.

The interim dividend is unchanged at 0.25p — last year's total was 2p from pre-tax profits of £2m (£5,000).

First half profits were struck after net interest and investment income of £37,000 (debit £112,000) and share of associates profits, £24,000 (£6,000). There was an exceptional credit last time of £202,000. Tax is estimated at £186,000 against £171,000, and after a minorities' debit of £3,000 (£13,000 credit) and an extraordinary credit of £226,000 (£66,000 debit), attributable profits came out at £427,000 (£111,000). Stated earnings per 25p share rose from 0.83p to 1.07p.

Since the chairman's last report, British United Trawlers has sold another freezer trawler, and its fleet now consists of 20 operational trawlers, including seven freezers, one of which was requisitioned in April.

The company's oil rig stand-by operations incurred a loss during the period, due to a combination of increasing costs and competitive charter rates. The 10 vessels concerned were approaching a requirement of heavy capital expenditure to enable them to continue in this field, and it was decided that their retention could no longer be justified. They have, therefore, now been sold.

Trading profits for the group overall in the first six months were up from £239,000 to £329,000 and a breakdown (in £000s) shows: fishing, loss £291 (loss £902); food processing and trading, £227 (£380); fast food, £98 (£198); cold storage, £400 (£401); transport and warehousing, £62 (£115); engineering, £91 (loss £79); unallocated expenditure £258 (£269); fishing vessels temporary support schemes, nil (£395 credit).

Comparative results in engineering reflect elimination of previous losses in Technor Engineering Services (Scotland), which was closed last November, and a satisfactory profit contribution from Aberdeen Jig and Tool Company.

In the fast food division, the reduced contribution from Associated Fisheries (Restaurants) is mainly attributable to the severe Winter which adversely affected the catering industry as a whole, and to the impact of higher rental charges for a number of the leasehold

● **comment**

The decline of the British fishing industry has been worse than cyclical, and the effect is seen in the fact that Associated Fisheries operational trawler fleet is now only 20 strong, less than half the level of two years ago. Last year the company received £1.6m—almost ¾ of total trading profits — from the Government in the shape of the fishing vehicle temporary support scheme, but this form of revenue is singularly absent from these figures, and it is not clear that the second half will bring better news in this regard. The drive towards a durable and comprehensive EEC fisheries policy suffered from Danish procrastination earlier this week, but the company believes that final agreement is imminent. Whatever the outcome, diversification is clearly necessary for Associated Fisheries, but in concentrating investment on fast food, the company is hardly avoiding competition, and seems otherwise content to accumulate investment income, at least until U.S. interest rates come down. Eastern Produce has been steadily adding to its stake, and now holds 40.2 per cent of the total equity, which is worth about half net asset value. At 66p, down 2p to a new 1982 low, the shares yield a most unenticing 4.3 per cent.

St. George's buoyant in second half

SECOND HALF pre-tax profits of St George's Group improved from £157,000 to £401,000, and figures for the full year to February 28, 1982 climbed from £251,000 to £518,000. Turnover was considerably higher at £5.7m compared with £2.68m. A second interim dividend in lieu of final of 3p has already been declared. This raised the total payment from 3p to 4p.

Mr P. G. Dellar, the chairman, says trading in all divisions of the group—which has interests in linen textile and garment rental —in the first four months of the current year has been most encouraging, and it continues to be successful in acquiring new business.

The laundry interests acquired from Provincial in January, 1981 were successfully rationalised and integrated in St George's operations, and group's rental and flatwork business was further expanded through the acquisition of the laundry operations of Greater Midlands Cooperative Society.

The pre-tax figure was struck after interest charges up from £28,000 to £198,000.

Earnings per 10p share were 13.5p (14.03p) on a net basis, and 14.24p (16.87p) on a nil basis.

In June, the directors of St George's reported that terms had been agreed for a recommended offer made by Spring Grove.

Trading losses mount at Arlen

THE CONTINUING depressed economic climate has brought about adverse trading results in all divisions of Arlen Electrical, say the directors. In the six months to December 31, 1981, there was a trading loss of £347,000 compared with £291,000. Turnover rose from £3.17m to £4.04m. No interim is being paid — last year 1p was paid, but the final was passed.

After a detailed review of the group's operations, the board has decided to withdraw from such trading areas which were not compatible with its principal activities. Electrical accessories and components has shown a substantial improvement over the previous six months, and the board is encouraged by the trend of the third quarter's activities which have shown a profit of £68,500, which reduced the deficit as at December 31.

The trading operations of video production and studio hire division have been discontinued, and consequently adverse results were further increased in the third quarter to £129,400 in view of the closure as at March 31, 1982.

The board considers that the restructuring to date, and the envisaged consolidation of operations, will enable the company to concentrate on its main areas of involvement to better advantages in the future.

In retail lighting (Flexmart), the company's involvement was discontinued on May 19 this year, and although it does not form a material part of the group's activities or involvement, the loss indicated previously was increased to £30,000 at the end of the third quarter, a figure which the directors say will not materially alter in regard to final closure costs.

In relation to Enalon Plastics, peripheral activities have been discontinued and operations transferred to Folkestone and Slough. However, a further loss of £29,400 was sustained by this division in the third quarter.

The re-structured business at Tonbridge is principally that of trades moulding, an area that will not form part of the group's long-term plans. Consequently, the board is currently engaged in considering various avenues by which it may achieve this aim.

No tax was payable for the first half — last time there was a credit of £151,000.

Guinness Mahon 13% higher

AFTER-TAX profits of Guinness Mahon, the merchant banking group, rose by 13.6 per cent from £2.2m to a record £2.5m in the year to April 30 1982. The profit was after provision for tax and transfers to contingency reserves.

Estimated profits for the six months to October 31 1981 were £1.15m (£1.1m). The company is a subsidiary of Guinness Peat.

Smith Bros. for HK market

Smith Bros, the London stockjobber, is planning to move into the Hong Kong market where they will deal in all Hong Kong stocks. The date has yet to be decided, but the move is part of Smith Bros's expansion into international trading.

Two experienced dealers in these markets, Mr Brian Herman and Mr Mike Norris, are joining Smith Bros from Wedd Durlacher Mordaunt, a major jobbing firm.

Mr Tony Lewis, chairman of Smith Bros, said yesterday that his firm had "no concrete plans" for taking advantage of the new Stock Exchange rules which allow outside investors to take a 29.9 per cent in broking and jobbing firms. "We always review the situation but we have more than adequate finances for our Hong Kong plans."

The group in the first instance will not have an office in Hong Kong. "We will see if we have got a business first," said Mr Lewis.

Knight listing

The introduction of Knight Computer to the unlisted securities market following a placing by brokers Savory Milln has been delayed to Monday for procedural reasons.

Results due next week

THE Imperial Group's recent slimming exercise has raised market expectations over the interim results for the six months to April, to be announced on Thursday. Analysts forecast range from £64m to £70m compared to last year's disastrous interim of £29.7m. The group's main standby, the tobacco division, should provide the main contribution to the improvement with a pre-Budget surge in sales —although there may be a corresponding decline in the second half. Courage has experienced beer volume falls in line with the sector average, and the food division has seen some improvement in Golden Wonder crisp margins and its basic sauces range. However, Howard Johnson, the down market U.S. restaurant chain continues to be a problem area with little sign of any turnround, and the management reorganisation here has yet to be seen to produce an improved performance.

Analysts' estimates of pre-tax profits for the year to March 1982 from Imperial Continental Gas Association, to be announced on Tuesday, have risen recently and are now in the £37-£42m range, as against the previous year's £33.2m. A significant improvement will have come from Calor, benefiting from the arctic winter, which should have added an extra £6m to profits. Greatly improved second half gas production from the Hewett field conveniently coincided with renegotiation of gas prices from 4p to 7p per therm backdated to October 1980. Some 45 per cent of IC Gas's profits are based in Belgium but as the Belgian companies report on a calendar year basis, the effects of February's 8½ per cent Belgian franc devaluation, which are not purely negative, will not be seen in these figures.

Rationalisation, and the subsequent reduction in borrowings and interest charges, is the reason why the market is looking for an improvement in LRC International's pre-tax profits for the year ended March 31. The results on Monday are expected to show pre-tax profits of about £8.2m compared to £7.03m last year. Interest payments may be down from about £3m to an estimated £2m, but the market expects dull trading results. Demand for the group's core products in the UK remains stagnant and trading conditions in the United States have become tougher during the year. The turn around in Haffenden-Richborough, the group's UK hot water bottle subsidiary, has been offset by the group's exposure to political pressures in the important Iran and Malaysian markets and the market remains unconvinced that LRC International knows where it is going as a company.

Flat profits are expected from Granada, when it reports its interim figures to April 10 on Tuesday, showing little advance on the comparable figure of £24.4m. The depreciation charge on rental assets has been holding back growth in rental profits in the UK, and, as with the other major rental companies, there has been slight erosion of the customer base. On the contracting side, while advertising revenues have been buoyant, the resultant profits increase will have been more than offset by the 4th Channel levy, which will cost Granada £7.5m this year. Among the more peripheral activities, property should show an advance, primarily due to completion and letting of the Finsbury Square development. For the full year, around £49m pre-tax can be expected, as against last year's £48m.

Other results to be reported next week include three sets of interim figures, from Sotheby Parke Bernet on Friday, from the SGB Group on Monday, and those of Donald Macpherson on Tuesday.

Company	Announcement due	Dividend (p)* Last year Int.	Last year Final	This year Int.
FINAL DIVIDENDS				
Associated Leisure	Monday	1.8	3.45	1.8
Birmingham Mint	Monday	3.0	7.5	3.0
Booth (John) and Sons Bolton	Thursday	—	1.0	—
British Building and Engng. Appliances	Thursday	1.0	1.0	0.5
Caledonian Associated Cinemas	Thursday	2.0	7.0	2.0
Danae Investment Trust	Tuesday	0.8	1:2	0.8
Equity Consort Investment Trust	Tuesday	2 975	6.3	3.15
Hollas Group	Wednesday	1.0	2.0	1.0
Imperial Continental Gas Association	Tuesday	2.7	5.3	3.0
Intasun Leisure Group	Tuesday	—	—	1.4
Laganvale Estate	Tuesday	—	—	—
Latham (James)	Thursday	3.35	4.65	3.35
London Pavilion	Monday	—	12.5	—
LRC International	Monday	0.7	1.8	0.7
Marston, Thompson and Evershed	Tuesday	0.625	1.175	0.7
May and Hassell	Monday	1.3	2.0	1.3
Ocean Wilsons (Holdings)	Thursday	0.75	1.85	0.75
Parkdale Holdings	Monday	—	0 3†	—
Rexmore	Tuesday	0.5	0.5	0.525
Ropner Holdings	Monday	2.5	4.0	2.5
Russell (Alexander)	Monday	0.45	0.8	0.54
Scott (David) Group	Friday	0.6	1.5	—
Sekers International	Monday	—	0.1	0.2
Stonehill Holdings	Friday	4.0	4.5	2.0
Sutcliffe, Speakman	Monday	—	—	—
Technology Investment Trust	Wednesday	1.6	2.7	1.6
Textured Jersey	Monday	1.75	3.75	1.75
Toothill (R. W.)	Tuesday	—	3.5	3.0
Waddington (John)	Wednesday	2.5	3.5	—
Watson (R. Kelvin)	Tuesday	1.3	2.0	1.3
Wheway Watson Holdings	Monday	—	0.05	—
INTERIM DIVIDENDS				
Granada	Tuesday	1.75	3.05	
Imperial Group	Thursday	2.76	4.5	
Macpherson (Donald) Group	Tuesday	1.5	2.7	
SGB Group	Monday	2.3	3.3	
Sotheby Parke Bernet Group	Friday	3.5	9.0	
INTERIM FIGURES				
Crescent Japan Investment Trust	Tuesday			
New Tokyo Investment Trust	Tuesady			

* Dividends are shown net pence per share and are adjusted for any intervening scrip issue. † For the 18 months to April 30 1981.

Eagle Star shares soar pending EEC ruling

The share price of Eagle Star Holdings soared yesterday on speculation that the EEC Commission was about to clear the acquisition by West Germany's leading insurance group Allianz Versicherungs of a 28 per cent stake in Eagle Star. It was anticipated that such clearance could herald a full bid by Allianz for Eagle Star.

Allianz acquired this stake over a year ago through a "dawn raid" and subsequent tender offer. Eagle Star opposed the acquisition of such a major shareholding at what it considered was too low a price, and complained to the Office of Fair Trading, the Federal Cartel Office in Berlin and the EEC Commission in Brussels.

The first two complaints were turned down, while the EEC is still considering whether there is a case for a full scale inquiry. A decision was promised by June 2, the anniversary of Allianz's acquisition, but the first half of July is considered to be the most likely time for the EEC to report.

Allianz has stated that it will not make any moves until the EEC decision is known. Even if the decision is the expected favourable one, it is by no means certain that Allianz will immediately make a full bid. It could well hold talks with Eagle Star first.

Nevertheless, speculation that a favourable report from the EEC was imminent and that a full bid could be launched, soon sent share prices rising 20p late on Thursday night, a rise that was held for most of yesterday. The price closed at 343p, up 16p on Thursday's price.

Lookers buys more of Braid Group

Lookers, the Manchester vehicle distributor, yesterday announced the purchase on Thursday of a further 125,080 Braid Group ordinary shares, equivalent to about 2.1 per cent of the equity, at 58p.

The purchases, made through Lookers' Bolling Investments subsidiary, took Lookers' holding to 1.46m or 24.4 per cent of the equity. Lookers was also believed to have made further purchases of a similar volume in the market yesterday.

On Thursday, Lookers raised the value of its bid for the Liverpool-based Braid Group by £480,000 to £3.58m, but was once again rejected by Braid. In addition to Lookers' market purchases, it has received acceptances from holders of 7.2 per cent of the equity in response to its initial bid of 50p, now raised to 58p.

Johnson fights Sunlight bid

The board of Johnson Group Cleaners pledged yesterday to fight the £30m reverse takeover bid by Sunlight Services.

Confident of what the shareholders' verdict will be, the chairman, Mr John Crockatt, pointed out that the time scale required by Sunlight for the Johnson board to respond to its bid proposals was "quite ludicrous."

Sunlight says that "the door remains open for detailed discussions." However, Mr Crockatt was adamant that "it is not open on the Johnson side, in view of the action by Sunlight in proceeding unilaterally" early last Tuesday.

WARNE ADVISES BATSFORD REJECTION

Batsford, a family owned publishing company, posted on June 29 a partial take-over bid to shareholders of Frederick Warne offering to acquire up 249,516 ordinary £1 shares representing 29.99 per cent of the issued ordinary share capital at 162p each.

The board of Frederick Warne and County Bank, their advisers, consider that the partial offer is totally inadequate and does not reflect Warne's potential profitability, its strong asset position and low gearing. They will strongly advise shareholders not to accept the partial offer.

Frederick Warne is a public unlisted company. Its net tangible assets as at December 31 1981 were about £2.48m, equivalent to 297p per ordinary share. This does not take into account any amount to reflect the value of any intangible assets, in particular Frederick Warne's ownership of the Beatrix Potter copyrights.

R & J PULLMAN IN SWIMWEAR

R. and J. Pullman has acquired the swim-wear manufacturing company, Bartlett Manufacturing, trading as Blue Lake. Consideration is £375,000 cash, payable immediately, with a further £50,000 payable in April 1983.

Bartlett's assets are estimated at £360,000, a high proportion in cash.

SPAIN

July 2	Price %	+ or −
Banco Bilbao	340	−4
Banco Central	273	−5
Banco Exterior	242	−3
Banco Hispano	313	−3
Banco Ind. Cat.	109	−1
Banco Santander	312	−6
Banco Urquijo	175	−2
Banco Vizcaya	351	−3
Banco Zaragoza	237	
Dragados	104	
Espanola Zinc	67	
Fecsa	55.2	−0.3
Gal. Preciados	26	−2
Hidrola	56.2	−0.5
Iberduero	42	−2.5
Petroleos	71.5	−0.5
Petroliber	91	
Sogefisa	6	
Telefonica	67	−1
Union Elect.	52.5	−5.2

Wilkins & Mitchell losses highlighted by Centreway

MUCH higher 1981 trading losses and the need for substantial provisions for the power press divisionof Wilkins and Mitchell are revealed in the recommended offer document from Centreway Industries.

Centreway, a Birmingham holding company with manufacturing and motor distribution interests, last month announced an agreed bid worth only 1p a share for W and M, valuing the company at £64,000.

Under the Centreway offer, W and M has put its power press division into receivership. A new Centreway subsidiary, Servis Holdings, will take a half share in W and M's Servis washing machine activities while Centreway's chairman, Mr Anthony Cross will take over the management of the new company.

Unaudited accounts for 1981 showed W and M's trading loss in its power press division rose to £850,000 from £165,000 in 1980, while the domestic appliances loss was cut to £328,000 from £1.42m.

Domestic appliance turnover was little changed at £44.26m, while power press turnover fell to £4.84m from £7.95m.

Extraordinary charges of £2.6m compared with only £173,000 in 1980 produced an attributable group loss of £4.77m compared with £2.93m previously.

The extraordinary charges in 1981 comprised a £1.6m provision against investments in, and amounts due, from W and M's power press division and a £1m provision for guarantees given in respect of the power press division.

Coopers and Lybrand, W and M's auditors, noted in their review of the accounts that uncertainty existed as to the adequacy or otherwise of the £1m provision made for possible claims arising from the guarantees. Centreway's bankers would consider allowing any extra payments needed to be spread over the period to March 1984.

Increased sales of Servis's Quartz automatic washing machine and further cuts in operating costs led to a more satisfactory trading performance in the first four months of 1982, W and M said.

But group liquidity has significantly worsened and shareholders' funds sharply reduced under the impact of previous losses. On June 3 last, bank borrowings, all secured, were £4.56m while a further £1.9m of advances were outstanding on an invoice discounting facility.

Net assets of W and M have fallen to less than half the company's issued capital. An extraordinary shareholders' meeting has been called for July 29 to consider what measures, if any, should be taken.

The alternative to the agreed bid would be receivership for the entire W and M group, Centreway said.

Acceptance of the offer would save 2,700 of the 3,000 jobs provided by the group before the appointment of receivers to the power press division, and secure the future of the only specialised UK maker of washing machines, it added.

The offer of either one 1p Servis Holdings ordinary share or 1p in cash for each W and M share expires on July 22.

McLeod's £6m plantation sale

McLeod Russel, the plantations group, has agreed to sell off its Indonesian interests to the Anglo-Sumatra Estates Agency for about £6m in cash.

The continuing low level of commodity prices and the lack of evidence and any material upturn in world trade in the near future, convinced McLeod of the need to realise a number of low yielding investments, it said.

The sale will allow McLeod to substantially reduce its borrowings and improve its cash flow and income position.

Anglo-Sumatra is a wholly-owned subsidiary of S. A. Sipef, a Belgian plantation company.

The holding company for McLeod's Indonesian interests is Supara, which owns three rubber and oil palm plantations in North Sumatra. Two fully-owned subsidiaries manage 2,535 planted hectares, while a third 60 per cent owned company has 2,321 planted hectares.

These interests were acquired as a result of McLeod's purchase of Warren Plantation Holdings last November.

Anglo-Sumatra will pay a total of £6m, adjusted to equate to the audited net tangible assets of Supara at June 30 1982.

An initial payment of £1m was made yesterday, when contracts were exchanged, and four further payments of £1m will be made on the last day of the months August to November.

A final adjusted payment of around £1m will be made on December 20. Sipef will pay no interest on the deferred sums.

An extraordinary shareholders' meeting will be held to consider the deal. Certain McLeod directors and related interests holding 2.1m ordinary shares or 32.45 per cent of the equity have undertaken to vote in favour.

Net tangible assets of Supara, including the plantation assets at book value, were £2.5m at December 31, 1981.

The £6m cash will result in savings to McLeod at present rates of interest of about £452,000 in the year to March 31, and about £900,000 in a full year.

This compares with a pre-tax profit contribution from Supara of about £539,000 in the past financial year and an expected loss of contribution of about £370,000 in the year to March 31 1983.

NCC independents back Cook Intl. offer

THE INDEPENDENT directors of NCC Energy, advised by N. M. Rothschild and Sons, announced yesterday that the 25p per share offer from Cook International for the outstanding 54 per cent of the equity is "fair and reasonable" and shareholders are advised to accept Cook's bid by the closing date on July 20.

This acceptance has been pending for the last fortnight while the independent members of the board waited for an accountants report of the group's assets and liabilities, legal opinion on various matters relating to its potential liabilities and an independent valuation of the 50 per cent stake in Louden Properties.

A summary of the group's financial position on May 18 shows that net assets amounted valuable asset and only source of significant income," the valuers believe that a forced to £20.69m, or 56.2p per share, but the independent directors point out that "no adjustment has been made to reflect any difference between book and realisable values of the group's assets and no provision has been made for any amounts which may fall due from the contingent liabilities and potential commitments."

The Louden stake has been valued at £17m against its book worth of £12m but shareholders are reminded that the arrangement with NCC's equal partner, Damson Oil Corporation, contains a right of first refusal should either partner wish to sell to a third party.

Although the Louden stake is said to be "by far the most sale by NCC would have "an adverse effect on the fair market value." The sale price could be reduced by between 10 and 20 per cent.

One of the group's principal UK assets, the Bernard Wardle Group, is now the subject of buy-out proposals from the subsidiary's management. The result of its disposal, if effected, would result in the NCC group losing a very substantial proportion of its investment."

Turning to the group's contingent liabilities, the independent directors say that NNC "intends to defend vigorously" the claim by Cook, the offeror, that NCC had indemnified its former chairman, Mr Graham Ferguson Lacey and his associate, Mr Cecil McBride, against a put option for the purchase of 3.46m new NCC shares at 100p per share. Cook is claiming $6.78m, plus pre-judgment interest and the costs of the claim.

The independents are advised that the indemnity provision would not be enforceable in English law but the agreement is expressed to be governed by District of Columbia law.

It has not proved possible to establish with certainty the exact nature of the relationship between NCC and various companies in or associated with the Bond group of companies.

BURMAH OIL MAKES FRENCH LUBRICANTS ACQUISITION

Burmah France has acquired a majority shareholding in Sophos, a French group specialising in industrial lubricants and allied products.

Burmah France, a wholly-owned subsidiary of Burmah Oil, manufactures and distributes automotive, industrial, marine and aviation lubricants, which it markets under the Castrol and Veedol brands.

Sophos, which has a turnover of about £10m will strengthen Burmah France's position in the industrial lubricants market by enabling it to offer a complete range of specialised products and services in metal rolling, metalworking, forming, heat treatment and surface treatment applications.

The group has a 30-acre site at Peronne, 100 miles north of Paris, which houses one of the most modern plants in Europe.

Cavendish Life sold

THE Gibraltar-based life company Cavendish Life Assurance, has been acquired by Adams Petroleum Enterprises Corporation, a private company operating in the oil and gas exploration and production in Oklahoma and Texas.

The main product of Cavendish Life is its Energy Bond, and investors now taking out this scheme will have their money invested directly into development projects under the supervision of Adams Petroleum.

But Adams intends to take several measures to secure the interests of UK bondholders. The capital base is to be increased from £250,000 to £1m by early next year, this enlargement being achieved by assigning specific assets, in the form of oil and gas producing wells plus cash from Adams Petroleum to Cavendish.

Secondly, Cavendish intends to appoint a prominent firm of U.S. lawyers with an acknowledged technical expertise in the oil industry to undertake independent audits of the various projects financed by the Energy bondholders.

Existing bondholders are to have their security protected by a £1.5m standby guarantee to underwrite the existing liabilities.

Finally Cavendish will conform as far as is practicable to UK life company practice, including annual actuarial valuations.

Mr Warren H. Adams, who controls Adams Petroleum, will become chairman of Cavendish Life.

PRINCE OF WALES COMPLETES PURCHASE

On June 30 Prince of Wales Hotels exchanged a conditional contract to acquire Clifton Arms and Pier Hotel Company from Town Centre Securities. Completion is expected to take place on July 14.

Clifton owns and operates the Clifton Hotel in Blackpool.

MINING NEWS

Tin price puts Geevor at risk

BY GEORGE MILLING-STANLEY

THE MINING industry all over the world is facing considerable problems, and Cornwall's Geevor Tin is no exception, according to Mr R. H. MacWilliam, chairman.

The mine's future is seriously at risk while tin prices remain depressed, he added. Geevor make cash flow losses while the price is below the £7,000 per tonne mark, and existing cash reserves will quickly disappear.

Beyond that, a significantly higher price is necessary if the company is to provide for the heavy capital expenditure required to guarantee the mine's future.

Mr MacWilliam said that Geevor faces a few very difficult years, with no hope of any big upturn in the near term. Nevertheless, his faith in the long-term future of tin has not been shaken by any of the events of the past year.

He added that he regretted having to present such a gloomy picture, but preferred to be "realistic rather than optimistic." For the moment, "survival is the name of the game."

With this in mind, Mr K. A. Gilbert, managing director, recently produced a document outlining five steps which he said might be taken or considered in an attempt to keep the mine in operation.

The steps ranged from laying off all workers who are not directly engaged in production, through a general 20 per cent cut in wages, and culminated in converting the mine to various stages of a care and maintenance basis.

So far, the first two steps have been taken, involving the lay-off of 18 workmen. The men have been told that they will be re-engaged as soon as the mine's financial position permits.

Geevor made a net profit of £10,000 in the year ended March 31, compared with a loss of £285,000 last time.

General Mining Union Corporation has a stake of 19.01 per cent, with Rio Tinto-Zinc holding a further 17.86 per cent.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Arlen Elect. ...int	Nil	—	1	—	1
Assoc. Fisheries ...int	0.25	—	0.25	—	2
Craig and Rose 2nd int	37§	—	37	45	45
Evans and Owen	2.5	—	—	—	—
Oakwood Group ...int	2	Aug. 20	2	—	6.5
Russell Bros.	2.5	—	3.63	3.75	4.88
Town and City	0.01¶	—	0.01	0.01	0.01
TSL Thermal ...int	1	—	3	—	7
Turnbull Scott	2	—	3	5	6

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM Stock. § In lieu of final. ¶ To maintain trustee status.

SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and deals

A week after its initial approach was rejected, cleaning concern **Sunlight Services** launched a £30m offer for **Johnson Group Cleaners**. The terms, involving a shares, cash and loan stock package have been rejected by the latter's board as "wholly unacceptable."

Two contested bids were increased this week and both still failed to gain the recommendation of the companies concerned. **Bunzl** has increased its bid for rival paper and packaging group **Bemrose** to 140p cash per share or 155p nominal of 11.25 per cent convertible unsecured loan stock 1992-94. The offer is described as final, and the cash element will be withdrawn two weeks after the posting date of the formal document. Mr Robert Maxwell's **British Printing and Communication Corporation** has increased its holding in Bemrose to 14.99 per cent by way of market purchases.

North-western Motor distributors **Lookers** has increased its unwelcome offer for local rivals **Braid** to 58p cash per share valuing the company at £3.48m. Following market purchases this week, Lookers now controls around 25 per cent of Braid.

Dealings in insurance broker **Minet Holdings** were briefly suspended on the London Stock Exchange on Wednesday pending a sizeable share placing: it was later revealed that the St Paul **Companies of Minnesota** had brought around 10 per cent of the equity at approximately 160p per share to increase its stake to 14.99 per cent. St Paul intends to remain a minority shareholder.

Civil engineers and building contractors **Fairclough Construction** has acquired a 14.56 per cent holding in mechanical engineering concern **William Press**, but does not intend to increase its holding without prior consultation with the latter's board.

Rowntree Mackintosh is buying 90 per cent of **RPC**, the Rileys Crisps and Sooner Foods group from four directors in a loan stock deal worth £13.5m.

Merger talks are in progress between loss-making civil engineers **Charles Hill of Bristol** and textile machinery engineers **Kennedy Smale**.

Company -bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m's**	Bidder
Prices in pence unless otherwise indicated.					
Assoc Cmg "A"¶¶	110*	107	52††	59.70	TVW
AAA Inds¶¶	37½	36	35††	1.48	Glossop
Bemrose Corpn	140†	135	76	15.74	Bunzl
Braid Group	58*	56	42	2.74	Lookers
Brit Northrop	18*	17	12	0.31	Padworth Invs
Federated Land	175*	174	142	19.03	BSC Pnsn Funds
General & Comm	286‡‡‡	260	235	15.32	Britannia Arrow
Gordon (Luis)	22*§	21	20††	0.37	Pedro Domecq
Johnson Gp Clnrs	278§§	265	218	30.11	Sunlight Services
Grant Bros¶¶	190*	186	179	2.28	Jadepoint
NCC Energy	25*§	35††	35††	4.86	Cook Int
St George's Group	152½§§	145	139††	7.53	Spring Grove
Welbeck¶¶	52§§	50	43	2.82	Causton (Sir J.)
Wilkins & Mtchll	1	5	18	0.06	Centreway
Wormalds	18*	17	9½††	0.57	Hainsworth

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ** Based on July 2 1982. †† At suspension. ‡‡ Estimated. §§ Shares and cash. ¶¶ Unconditional.

Offers for sale, placings and introductions

Ecobric—Is coming to the Unlisted Securities Market by way of a placing of 300,000 new ordinary £1 shares, 100,000 existing £1 ordinary shares, and 100,000 existing deferred shares of £1.

Knight Computer International—Is joining the Unlisted Securities Market via a placing of 2.45m shares at 60p per share.

Rights Issues

Jenks and Cattell—Is raising £1.008m by way of a one for three rights issue at 25p per share.

Polymark International—Is proposing to raise approximately £3.1m by way of a rights issue on the basis of three for ten.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
Avana Group	Mar	10,040	(5,460)	22.4	(13.6)	6.0	(5.0)
Bardon Hill	Mar	2,450	(2,160)	23.8	(20.6)	8.0	(7.25)
Barker & Dobson	Mar	416	(595)	0.4	(0.6)	—	(—)
Belhaven Brewy	Apr	4	(599)	0.3	(4.2)	—	(—)
BET Omnibus	Mar	4,640	(6,320)	23.8	(71.3)	6.5	(6.5)
BPB Industries	Mar	56,500	(42,100)	37.5	(32.4)	10.5	(9.0)
Brickhouse Ddly	Mar	1,280	(2,180)	6.3	(8.8)	3.2	(3.2)
Bridgend Process	Dec	221L	(253)L	—	(—)	—	(—)
Bristol Stadium	Dec	28L	(79)	23.6	(1.7)	0.75	(0.6)
British Tar	Jan	1,040	(707)	4.0	(3.0)	2.2	(2.1)
Brown & Tawse	Mar	3,220	(1,570)	23.3	(71.9)	7.0	(6.4)
Churchbury Ests	Mar	920	(555)	11.4	(17.9)	13.0	(—)
Countinho Caro	Dec	2,286	(2,511)	129.4	(34.3)	8.0	(8.0)
Country Gents	Mar	172¶	(11)¶	121.0	(75.0)	50.0	(25.0)
Dennis (James H)	Mar	547L	(111)	—	(3.6)	—	(1.4)
Electrocompnnts	Mar	15,740	(14,560)	8.7	(7.7)	2.2	(1.95)
Executex Clothes	Dec	571L	(55)	—	(2.4)	—	(1.86)
GEC	Mar	584,000	(476,000)	65.2	(54.5)	12.8	(10.3)
Greene King	May	7,200	(6,560)	24.2	(24.2)	7.1	(6.3)
Halma	Apr	1,710	(1,280)	5.2	(4.8)	1.46	(1.22)
Holden (A.)	Mar	1,730	(1,430)	14.4	(12.9)	6.0	(5.0)
Hoveringham Grp	Dec	1,640L	(2,190)	—	(9.1)	—	(2.9)
Intl Timber	Mar	2,460	(1,110)	9.0	(31.6)	4.0	(4.0)
James (Maurice)	Dec	548	(630)	2.4	(4.4)	1.25	(1.0)
Lndn & Liverpool	Mar	1,090	(311)	7.5	(3.2)	2.45	(1.7)
Marinex Petrlm	Dec	139	(128)	0.5	(0.5)	—	(—)
Marshalls Halifax	Mar	2,870	(2,630)	14.2	(15.0)	5.0	(4.5)
Mercury Secs	Mar	17,790‖	(16,120)‖	31.6	(28.9)	7.7	(7.0)
Montague Meyer	Mar	1,460L	(2,750)L	—	(—)	2.5	(3.0)
Moorgate Mercll	Mar	451	(403)	1.1	(2.0)	1.0	(0.9)
Norcros	Mar	25,110	(22,360)	14.6	(14.0)	5.88	(5.52)
Paterson Jenks	Mar	1,410	(808)	9.0	(6.4)	1.71	(1.34)
Phillips Patents	Feb	138	(65)L	3.0	(5.0)	1.0	(1.0)
Polymark Intl	Dec	107L	(665)	—	(—)	—	(3.7)
Rediffusion	Mar	23,990	(19,240)	13.9	(11.3)	6.05	(5.5)
Scot & Newcastle	May	32,200	(33,100)	7.8	(10.1)	4.38	(4.38)
Scott's Restrnt	Dec	19	(122)	4.2	(31.2)	2.0	(1.76)
Stead & Simpson	Mar	2,200	(2,130)	4.6	(4.4)	3.85	(3.5)
Tecalemit	Mar	1,540	(2,190)	4.2	(3.6)	1.6	(2.08)
Trent Holdings	Mar	225	(60)	10.1	(2.8)	1.75	(—)
Walker (C. & W.)	Jan	1,230L	(966)L	—	(—)	—	(—)
Wiggins Group	Mar	705	(1,320)	9.5	(19.0)	3.0	(2.5)
Willaire Systems	Mar	87a	(—)‡	0.8	(—)	—	(—)

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
Alld Residential	Dec	178†	(—)‡	—	(—)
Barr (A. & G.)	May	911	(975)	1.75	(1.25)
Bett Brothers	Feb	614	(917)	1.2	(1.2)
Burns Anderson	Mar	153	(227)L	0.6	(0.6)
Eldridge Pope	Mar	361	(273)	5.0	(4.0)
Glass Glover	Mar	492	(247)	1.13	(0.8)
GRA Group	Apr	116L	(226)	—	(—)
Hadland Hldgs	Apr	62L	(66)L	0.84	(0.83)
Hardys & Hansons	Apr	1,200	(1,170)	4.0	(3.7)
Hayters	Mar	470	(225)	1.88	(1.88)
Henlys	Mar	2,450	(666)	—	(3.0)
Jenks & Cattell	Dec	40L§	(455)L	0.5	(0.5)
Lincroft Kilgour	Mar	41	(66)	—	(—)
Nash Industries	Mar	179	(136)	1.5	(1.5)
Parker (Fredk)	Mar	2,010	(454)	1.5	(1.0)
Trident TV	Mar	3,860	(4,260)	1.26	(1.26)
United Guarantee	Mar	125	(64)L	0.25	(—)
Vectis Stone	Mar	192	(307)	0.6	(0.6)

(Figures in parentheses are for the corresponding period.)
* Dividends are shown net except where otherwise stated.
† Attributable profits for nine months. ‡ No comparable figure.
a Attributable profits for 15 months. L Loss.

Scrip Issue

Greene King and Sons—One for one.

UK NEWS

STOCK EXCHANGE BUSINESS IN JUNE

Upsurge in gilt-edged turnover

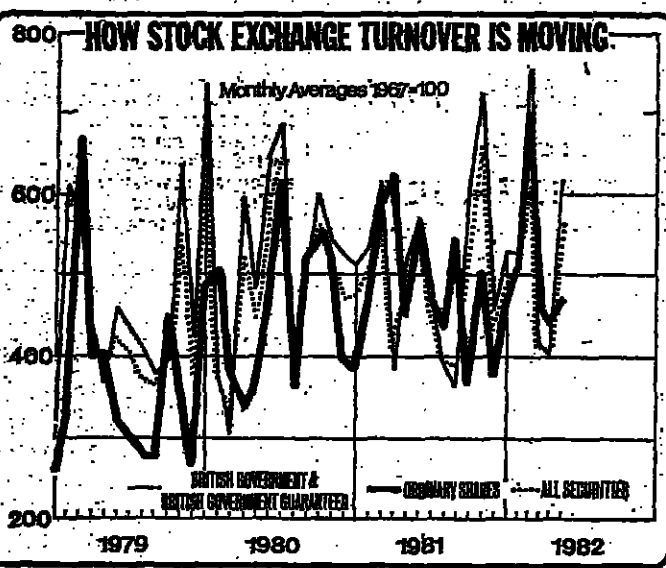
BY NIGEL SPALL

STRONG HOPES of an early and favourable conclusion to the Falkland Islands conflict, and optimism about further cuts in interest rates encouraged active and firm conditions in gilt-edged securities in the early part of June and helped to push turnover in the sector to its highest level since the all-time high recorded last March. Three more trading days in the month than in May contributed to the expansion in business.

Turnover in gilt-edged securities expanded by £5.1bn, or 53.7 per cent, to £14.61bn from May's £9.50bn. Business in the longer-dated and irredeemables jumped by £2.88bn, or 72 per cent, to £6.87bn, while trade in short-dated stocks rose by £2.23bn, or 40.4 per cent, to £7.73bn.

The number of bargains done in British Funds rose in June by 11,512 to 75,330 with an 8,947 increase to 53,316 recorded in longer-dated stocks. Deals in the shorts expanded by 2,565 to 22,014. The Financial Times Turnover index for British Government Securities jumped to 618.2 in June compared with May's 402.2 and the March peak of 752.9.

The most important spur to the gilt-edged market in the early part of the month was optimism about an imminent cut in UK base lending rates culminating on June 8 in a reduction of ½ point to 12½ per cent. However, adverse factors, including increasing tension in the Middle East, the Falklands crisis and domestic labour troubles returned to dominate sentiment. The Financial Times Government Securities index reached a 1982 high of 70.4 on June 7 before reacting to close the month just 0.24 points up on balance at 69.44.



Equity shares were overshadowed by gilt-edged and paid more attention to international and domestic troubles. Although business increased, quotations fell back on lack of incentive after the base rate cuts. Even the Falklands victory failed to generate enthusiasm.

Trade in ordinary shares rose from £2.46bn in May to £2.58bn; the number of bargains increased by 20,372 to 262,146, but the average value per bargain fell by £328 to £9,860. The Financial Times Turnover index for ordinary shares rose from 439.5 in May to 461.2.

The Financial Times Industrial Ordinary index moved to a high point of 594.0 on June 8, but again failed to break through its all-time peak of 597.3. It subsequently fell to 544.2 on June 28 before closing the month a net 33 points down at 554.3.

Business in all securities rose by £5.13bn, or 38.4 per cent on the month, to £18.50bn. The Financial Times Turnover Index for all securities jumped to 567.0 in June from May's 409.7.

Gold shares had a volatile month. The Financial Times Gold Mines index dropped to a three-year low of 181.2 on June 22 before ending the month 31 points down on balance at 203.7. The bullion price weakened $6 over the month to $318.

Category	Value of all purchases & sales £m	% of total	Number of bargains	% of total	Average value per day £m	Average value per bargain £	Average number of bargains per day
British Govt. and British Govt. Guaranteed:							
Short dated (having five years or less to run)	7,732.3	41.8	22,014	6.0	351.5	351,247	1,001
Others	6,873.5	37.1	53,316	14.4	312.4	128,921	2,423
Irish Govt.:							
Short dated (having five years or less to run)	444.0	2.4	2,136	0.6	20.2	207,879	97
Others	322.7	1.8	2,826	0.8	14.7	114,182	128
UK Local Authority	338.2	1.8	4,424	1.2	15.4	76,443	201
Overseas Govt.: Provincial and Municipal	59.2	0.3	907	0.2	2.7	65,227	41
Fixed interest stock, pref. and pref. ordinary shares	149.6	0.8	21,268	5.8	6.8	7,034	967
Ordinary shares	2,584.8	14.0	262,146	71.0	117.5	9,860	11,916
Total	18,504.4	100.0	369,037	100.0	841.1*	50,142*	16,774*

* Average of all Securities

Review of bank taxes under way

BY ALAN FRIEDMAN

THE GOVERNMENT is unlikely to introduce new leasings or earnings taxes on the British clearing banks this year.

The Treasury yesterday started its review of bank taxation, but it is understood there will be no new scheme before next year's Finance Act.

Yesterday's Treasury meeting, attended by the Bank of England, was largely procedural. Its main purpose was to set out the working group's agenda for the coming months.

There has been speculation, in the wake of the Chancellor Sir Geoffrey Howe's warning to banks in his Budget Speech, that there might be new taxes related to leasing or earnings. In theory such taxes could be announced if there were a mini-Budget this November. But it appears that the Government's deliberations will make it unlikely this year.

In his budget speech, the Chancellor spoke of "the problem of how best to ensure a sufficient contribution to tax revenue from the banking sector." He said the problem was difficult because the benefits of the tax allowances in repect of the banks' leasing business were shared between the banks and their customers.

Last week Mr Jock Bruce-Gardyne, Economic Secretary to the Treasury, acknowledged the difficulties the Government had in framing acceptable methods of increasing the tax paid by the banks.

Mr Bruce-Gardyne stressed that leasing directly benefited many sectors of industry and commerce and reduced the cost of borrowing money for investment. He said there was "plenty of room for further thought" this year concerning bank taxation.

Steelmen form co-op

REDUNDANT steelmen who faced a future on the dole in one of Britain's unemployment black spots yesterday opened their own company's registered office.

Their success — 18 months after the closure of Consett steelworks — comes literally out of the wreckage of the defunct British Steel Corporation site. For the 10 steelmen who have formed Consett Co-operative Enterprises are engaged in dismantling the steel works they tried to save. Almost 30 are employed by the co-operative.

M. J. H. Nightingale & Co. Limited

27/28 Lovat Lane London EC3R 8EB Telephone 01-621 1212

1981-82 High	Low	Company	Price	Change	Gross div. (p)	Yield %	P/E Actual	P/E Fully taxed
120	120	Ass. Brit. Ind. Ord.	120	—	6.4	5.3	40.9	13.4
130	100	Ass. Brit. Ind. CULS	129	+1	10.0	7.8	—	—
75	62	Airsprung	71	—	8.1	8.8	8.1	13.9
51	33	Armitage & Rhodes	43	—	4.3	10.0	3.6	8.1
227	187	Bardon Hill	227	+1	11.4	5.0	8.5	12.0
110	100	CCL 11pc Conv. Pref.	110	—	15.7	14.3	—	—
265	240	Cindico Group	265	—	26.4	10.0	10.7	12.0
104	60	Deborah Services	60	—	6.0	10.0	3.0	5.6
131	97	Frank Horsell	130	—	6.4	4.9	11.7	24.1
83	39	Frederick Parker	74	—	6.4	8.6	3.8	7.2
78	46	George Blair	53	—	—	—	—	—
102	92	Ind. Precision Castings	98	—	7.3	7.4	7.1	10.7
110	100	Isis Conv. Pref.	108	—	15.7	14.5	—	—
113	94	Jackson Group	106	—	7.5	7.1	3.2	6.7
130	108	James Burrough	120	+1	9.6	8.0	8.8	9.8
334	230	Robert Jenkins	230	—	31.3	13.6	3.2	8.1
75	51	Scruttons "A"	75	+1	5.7	7.6	9.7	11.7
222	164	Torday & Carlisle	155	—	11.4	7.4	7.0	11.9
17½	10	Twinlock Ord.	17½	—	—	—	—	—
80	68	Twinlock 15pc ULS	79	—	15.0	19.0	—	—
44	25	Unilock Holdings	25	—	3.0	12.0	4.5	7.8
103	73	Walter Alexander	83	—	6.4	7.7	5.5	9.7
263	212	W. S. Yeates	234	—	14.5	6.2	8.1	12.3

Prices now available on Prestel page 48146.

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Japan 'feels pressure' on trading

By John Griffiths

THERE ARE "some signs" that Japan is beginning to respond to pressure from the UK and other trading partners tao recognise the need for better economic relationships, the Society of Motor Manufacturers and Traders was told yesterday.

Mr John Caines, chief executive of the British Overseas Trade Board, told the society's export conference in Birmingham that the pressures had become necessary because "Japanese trading practices and economic policies cannot be reconciled with commitment to an open trading system."

As evidence of a Japanese change in attitude Mr Caines evidently had in mind last year's extension to light commercial vehicles of the Anglo-Japanese "prudent" marketing agreement restricting Japanese car sales to 11 per cent of the UK market.

Nevertheless, Japanese vehicle penetration continues to grow in other parts of Europe and is a source of considerable concern, even in West Germany.

Official reserves fall by $117m

BY DAVID MARSH

BRITAIN'S official reserves fell by a further $117m in June, partly because of modest Bank of England sales of currencies to smooth the pound's weakness against the dollar. At the end of the month the reserves of gold and foreign exchange stood at $17.7bn—the lowest for more than three years.

In the first half of 1982 Britain's monetary holdings slumped by $5.65bn or almost one quarter. But most of this reflected the large write-down of gold and currency holdings announced in March. This write-down, the result of the yearly revaluation of overseas assets, was largely because of the sharp fall of the gold price.

The underlying drop in the reserves last month after making allowance for public sector debt transactions was $151m, only half May's underlying reduction of $363m.

Sterling was weak last month against the dollar, which itself rose sharply against all currencies as a result of higher U.S. interest rates. But overall the pound was firm, moving up from 90.2 to 91.3 on the basis of its Bank of England trade weighted index.

Public sector borrowings last month amounted to $73m, mainly reflecting fund-raising by the Electricity Council and British Rail. Repayments by public sector bodies were $26m, with a further $13m repaid as the result of a regular half-year settlement of long-term government debt.

The Treasury, anxious to allay any worries about the weakening of Britain's reserves which are now down more than one third from the peak of early 1981, is pointing out that Britain's official borrowings have been reduced to $13bn from $22bn during the present Government's life.

The reserves stand nearly 80 per cent above Britain's short and medium term foreign borrowings of $9,990... remaining $3.1bn is accounted for by long term inter-government loans.

BASE LENDING RATES

A.B.N. Bank	12½%	Grindlays Bank	†12½%
Allied Irish Bank	12½%	■ Guinness Mahon	12½%
American Express Bk.	12½%	■ Hambros Bank	12½%
Amro Bank	12½%	Hargrave Secs. Ltd.	12½%
Henry Ansbacher	12½%	Heritable & Gen. Trust	12½%
Arbuthnot Latham	12½%	■ Hill Samuel	§12½%
Associates Cap. Corp.	13 %	C. Hoare & Co.	†12½%
Banco de Bilbao	12½%	Hongkong & Shanghai	12½%
BCCI	12½%	Kingsnorth Trust Ltd.	14 %
Bank Hapoalim BM	12½%	Knowsley & Co. Ltd.	13 %
Bank of Ireland	12½%	Lloyds Bank	12½%
Bank Leumi (UK) plc	12½%	Mallinhall Limited	12½%
Bank of Cyprus	12½%	Edward Manson & Co.	13½%
Bank Street Sec. Ltd.	13½%	Midland Bank	12½%
Bank of N.S.W.	12½%	■ Samuel Montagu	12½%
Banque Belge Ltd.	12½%	■ Morgan Grenfell	12½%
Banque du Rhone et de la Tamise S.A.	13 %	National Westminster	12½%
Barclays Bank	12½%	Norwich General Trust	12½%
Beneficial Trust Ltd.	13½%	P. S. Refson & Co.	12½%
Bremar Holdings Ltd.	13½%	Roxburghe Guarantee	13 %
Brit. Bank of Mid. East	12½%	E. S. Schwab	12½%
■ Brown Shipley	13 %	Slavenburg's Bank	12½%
Canada Perm't Trust	13 %	Standard Chartered	‖12½%
Castle Court Trust Ltd.	13 %	Trade Dev. Bank	12½%
Cavendish G'ty T'st Ltd.	14 %	Trustee Savings Bank	12½%
Cayzer Ltd.	12½%	TCB	12½%
Cedar Holdings	13 %	United Bank of Kuwait	12½%
■ Charterhouse Japhet	12½%	Whiteaway Laidlaw	13 %
Choulartons	13 %	Williams & Glyn's	12½%
Citibank Savings	¶12½%	Wintrust Secs. Ltd.	12½%
Clydesdale Bank	12½%	Yorkshire Bank	12½%
C. E. Coates	13½%		
Comm. Bk. of Near East	12½%		
Consolidated Credits	12½%		
Co-operative Bank	*12½%		
Corinthian Secs.	12½%		
The Cyprus Popular Bk.	12½%		
Duncan Lawrie	12½%		
Eagil Trust	12½%		
E.T. Trust	12½%		
Exeter Trust Ltd.	13½%		
First Nat. Fin. Corp.	15 %		
First Nat. Secs. Ltd.	15 %		
Robert Fraser	13 %		

■ Members of the Accepting Houses Committee.
* 7-day deposits 9.5%, 1-month 9.75%. Short term £8,000/12 month 12.1%.
† 7-day deposits on sums of: under £10,000 9½%, £10,000 up to £50,000 10¼%, £50,000 and over 11%.
‡ Call deposits £1,000 and over 9½%.
‖ 21-day deposits over £1,000 10½%.
§ Demand deposits 9½%.
¶ Mortgage base rate.

LONDON TRADED OPTIONS

July 2 Total Contracts 1920 Calls 1459 Puts 461

Option	Ex'rcise price	July Closing offer	July Vol.	Oct. Closing offer	Oct. Vol.	Jan. Closing offer	Jan. Vol.	Equity close
[illegible]								

C=Call P=Put

EUROPEAN OPTIONS EXCHANGE

Series	Aug. Vol.	Aug. Last	Nov. Vol.	Nov. Last	Feb. Vol.	Feb. Last	Stock
[illegible]							

TOTAL VOLUME IN CONTRACTS 3481

A=Asked B=Bid C=Call P=Put

Wall St off on rate worries

INTEREST RATE worries continued to push stock prices lower on Wall Street yesterday, when many investors started the long Independence Day weekend early.

By midday the Dow Jones Industrial Average was off 6.56 to 796.71, for a net loss of 6.37 on the week, while the NYSE All Common Index, at $62.02, lost 49 cents on the day and 70 cents on the week. Declines led advances by an eight-to-three majority in a volume of 27.38m (25.51m) shares.

Interest rate worries were exacerbated by influential Salomon Brothers economist Henry Kaufman's statement in London that within six months long-term interest rates will return to their highs of last autumn.

Analysts noted that Kaufman's remarks did not represent a change from his earlier projections but still contributed to unhappiness in the market over interest rates.

There was also a poor outlook for second quarter Corporate earnings.

Rail, Airline, Bank and Computer stocks pointed down and the only real bright spots in the market centred around takeover situations, real or rumoured.

Kerr-McGee climbed a further $1⅞ to $31⅞ in heavy trading—there are rumours that Texaco may attempt to acquire Kerr-McGee, but neither company would comment. Texaco held unchanged at $28⅜.

Superior Oil, another subject of takover speculation, rose $⅞ to $28¼ in heavy trading. Cities Service fell $1⅞ to $53⅞ after a delayed opening. Gulf Oil said 90 per cent of Cities' shares were tendered in response to its offer for 60 per cent of the outstanding stock. The FTC asked for more data on the deal.

THE AMERICAN SE Market Value Index shed 1.38 to 248.02, making a fall of 4.41 on the week. Volume 1.16m (1.79m) shares.

Canada

Prices were broadly lower in moderate trading at mid-session, with the Toronto Composite Index down 9.7 to 1,357.0.

Thirteen of the 14 major indices were lower, led by the Real Estate and Construction Index, which dropped 69.9 to 2,861.8.

The Gold Share Index was down 32.6 to 1,575.3, Oil and Gas 12.6 to 2,370.6, and Metals and Minerals 13.7 to 1,192.9.

Turbo Resources firmed to $1.27 on progress on its refinancing.

Torstar "B" fell $1 to $5⅜ on its cut quarterly dividend to 10 (19) cents.

Tokyo

Hitachi tumbled Y33 to 567 and hurled Blue Chips and many Technology shares into a downspin.

The Nikkei Dow Jones Index plunged 94.51 to 7,084.87, but trading remained stubbornly thin at 200m (220m) shares.

Traders said a U.S. Federal Grand Jury indictment of Hitachi itself in an industrial spy case raised possibilities of an earnings drop and forced many investors to shun Hitachi shares.

With slowing exports, Computer Makers had been considered one of the bright spots lending support to the Stock Market but the IBM case has now undermined the optimism of Securities House, an analyst said.

Reports of continuing U.S. investigations into other possible cases of industrial espionage found a new victim Friday, Green Cross. Rumours that Green Cross may be under investigation triggered heavy waves of selling that drove it down Y130 to 1,920.

The sharp fall of Hitachi and Green Cross eroded investor confidence in most Technology issues. Such Computer shares as Fujitsu, Toshiba and Nippon Electric continued to suffer considerable losses.

Hong Kong

Stocks closed mixed on scanty trading. Brokers said pessimism about Hong Kong's economic outlook overshadowed the market which was also affected by the sharp overnight fall on Wall Street.

Tai Cheung lost 17½ cents to $HK2.225 after announcing a sharp fall in last year's operational profit to $HK37.68m from the previous $HK112.50m.

Amsterdam

Lower with Dutch Internationals and Local shares both affected by general market concern that an Emergency Regulation is to be sought for Tilburgsche Hypotheekbank.

Other factors exerting a downward pressure on prices were the firmer dollar against European currencies, a weak overnight Wall Street close and fears U.S. interest rates may rise.

Ordinary and Mortgage Banks sustained big losses at the end of this week's trading.

Germany

Mostly lower after a technical downswing from what Brokers termed an overly ambitious market on Thursday.

Foreign investors almost disappeared from markets, entering only sporadically for selective purchasing, while Domestic investors were seen conducting broad week-ending operations in which selling predominated.

The surprise of the day was financially troubled AEG, which shot up DM 3.10 to DM 33.6 on a published report that Mannesmann and Bosch were seeking a major share in the company. AEG, as well as Mannesmann and Bosch, meanwhile denied the report.

Other Electricals were broadly lower, with Siemens off DM 1 to DM 219 despite its favourable report on its current fiscal year.

In Department Stores, Karstadt rose DM 3.5 to DM 215.5.

In Bond trading, position squaring activities pressured prices for Domestic and Euromark Bonds, bringing to a halt the price upswing during the week. The close was narrowly mixed.

Deutsche Bundesbank bought DM 12.4m in Public Sector Bonds to balance trading.

Paris

Share prices were lower in featureless end-week trading, following in the wake of Wall Street's overnight trend.

There was very little investor interest and a few sales in a thin volume were enough to send the market lower. Only Financials moved slightly higher.

In the Foreign sector, Americans and Oils fell, Japanese were weaker, Germans and Coppers were mixed, Dutch were steady while Gold Mines moved higher.

Switzerland

The downtrend continued, with every sector ending weaker.

A few shares that fell sharply in Thursday's trading held their ground, however, due to bargain-hunting which developed toward the end of Friday's session.

Swissair were SwFr 5 off at SwFr 672 on news that its revenues in May declined amid higher costs.

Adolph Saurer dropped SwFr 30 to SwFr 410—it will lay off 33 people.

Bonds closed steady in light volume as the market consolidated the gains of this week.

Australia

Markets fell sharply, with BHP falling 14 cents to a new 1982 low of $A6.90. It was followed down by all the top Resource stocks.

CRA fell 14 cents to A$2.78, MIM 13 cents to $A2.62, Central Norseman 15 cents to $A3.25, GMK 10 cents to $A2.50, Peko 15 cents to $A3.70 and North BH 6 cents to $A1.72.

Santos led the downswing among Oils, with a 20 cents cut to $A4.70.

Johannesburg

Gold shares mixed to easier in very thin end-week trading, with the bullion price offering no clear direction, dealers said.

Closing prices for North America were not available for this edition.

NEW YORK

CANADA

BELGIUM (continued)

July 2	Price Frs.	+ or —
Petrofina	4,495	—5
Royale Belge	5,100	—10
Soc. Gen. Banq.	2,305	....
Soc Gen Belge	1,156	—2
Sofina	3,400	+25
Solvay	1,865	—20
Traction Elect	2,500	—4
UCB	2,270	—20
VieilleMont	2,140	....

HOLLAND

AUSTRALIA

JAPAN (continued)

DENMARK

FRANCE

ITALY

NORWAY

SWEDEN

GERMANY

AUSTRIA

SWITZERLAND

BELGIUM/LUXEMBOURG

HONG KONG

JAPAN

SINGAPORE

SOUTH AFRICA

BRAZIL

Indices

NEW YORK ACTIVE STOCKS

INTERNATIONAL COMPANIES and FINANCE

Our Financial staff looks at the Paribas-Warburg connection

Anglo-French grip on Becker tighter

THE DECISION by S. G. Warburg and Paribas to take control of the U.S.-based Becker financial group comes in the wake of mounting speculation in New York about the Wall Street investment bank's performance.

The move, announced on Thursday evening, however, also underlines that there continues to be close co-operation between the UK merchant bank and the Paris-based nationalised financial group.

Under the new working agreement, which followed the disclosure last week that the Becker group had made losses of some $2m (£1.2m) in the eight-month period to end June, it is understood that Warburg and Paribas will inject new capital into A. G. Becker-Warburg Paribas Becker (AGB-WPB), the holding company for the two operating subsidiaries, A. G. Becker, and Warburg Paribas Becker.

This move will boost Warburg's and Paribas' joint equity stake in the U.S. group to over 50 per cent from the 40 per cent they have held in AGB-WPB since 1974 through a joint holding company called Warburg Paribas Inc.

The remaining equity in AGB-WPB is owned by the bank's employees. Warburg's and Paribas' original holdings carried the proviso that it could be increased "under certain circumstances."

Neither Warburg nor Paribas was willing to put a price on their new investment yesterday.

Both Paribas and Warburg have denied U.S. Press speculation that Becker has been suffering from problems of capital adequacy and liquidity. They said "Paribas and Warburg are satisfied that the management of AGB-WPB is correct in stating that no such problems exist."

Neither company would comment further yesterday, and the Becker group remained silent on the implications of the changes and on suggestions that the increase in the European banks' equity stake could lead to management changes and possibly to the departure of Mr Ira Wender, Becker's president and chief executive.

Paribas' investment banking activities in the U.S. go back to 1955, growing slowly until the decision in 1973 to join with Warburg to form Warburg Paribas Inc.

The following year Warburg Paribas Inc. merged with the Becker group to form AGB-WPB.

Warburg Paribas had an option from the beginning to increase this shareholding in the U.S. group to a majority whenever it wished. But the recent speculation about the finances of the Becker group has clearly precipitated the decision.

Paribas executives decline to comment in detail on the reorganisation of the U.S. company in advance of an AGB-WPB board meeting next week.

Paribas said yesterday that it would not require government approval for fresh expenditure on the Becker group.

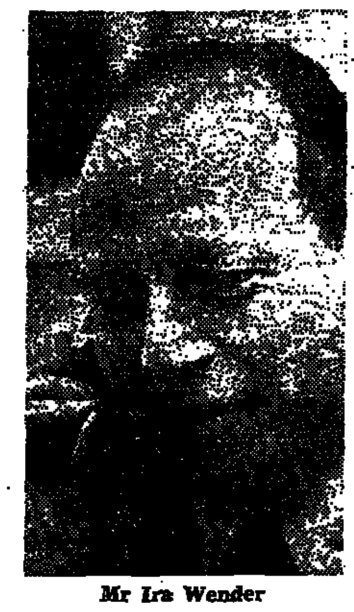
Indeed, the affair might be causing some quiet satisfaction within the French administration, which had to combat a series of moves last year to try and break up Paribas' overseas network while the bank was in the process of being nationalised.

At that time, the Becker group was a shareholder in Pargesa, a Swiss group which tried to take over Paribas Suisse. Yet with Paribas now under state control, the French bank is apparently having to help aid one of the companies that had supported the anti-nationalisation effort.

While Paribas executives stress that there is no connection between that incident and the present moves in the U.S., the further collaboration between the French bank and Warburg underlines that Paribas's business has normalised in the aftermath of nationalisation.

Earlier suggestions that the nationalised group might sell off overseas subsidiaries appear to have been wide of the mark.

Warburg, though it was also suspicious of the nationalisation project, has maintained its links with Paribas. These include a 24 per cent stake held by the French group in Warburg—the remaining 76 per cent being held by Mercury Securities—and a 24 per cent shareholding held by Warburg in Banque de Paris et des Pays Bas, Paribas' banking subsidiary.



Mr Ira Wender

Through the jointly-owned Paribas Warburg holding company, the two companies also have substantial stakes in Paribas' Swiss, Belgian and Dutch subsidiaries.

Production of interferon suspended by IPP

By Terry Dodsworth in Paris

L'INSTITUT Pasteur Production (IPP), one of France's leading drugs companies, has suspended production of interferon, the drug which has raised hopes of much more successful treatment for cancer.

In a surprise decision, IPP says it has stopped output because of a shortage of demand in France. Since reaching agreement with the health authorities on a controlled scheme for developing the drug in France, it has established facilities capable of manufacturing about 90bn units a year. But only a little more than 10bn units have been bought since the beginning of 1981, and it has substantial stocks on its hands.

IPP, a subsidiary of the Sanofi chemicals and pharmaceuticals group, which is itself controlled by Elf Aquitaine, the state-owned oil company, is one of France's foremost medical research laboratories.

Because of the doubts which exist over interferon, the company negotiated a deal with the Health Ministry to ensure proper control over medical experiments and outlets for the drug. As part of this agreement a scientific committee was set up to preside over the experiments.

Mitsubishi Corporation profits plunge by 24%

BY YOKO SHIBATA IN TOKYO

MITSUBISHI Corporation, Japan's largest trading house, has reported a 24.2 per cent fall in net profits to Y33.98bn ($133m) for the fiscal year ended March. Consolidated sales were up by 5.4 per cent to reach Y15,635.17bn ($61.3bn). Profits per share were Y26.78, compared with Y35.88 in the previous year.

At the parent company level Mitsubishi had reported a 3.3 per cent rise in net earnings for the year to Y21.1bn on a 5.4 per cent increase in sales to Y14,686.56bn.

In the year, domestic sales centering on basic materials such as steel and non-ferrous metals fell by 1.2 per cent to account for 38 per cent of the total turnover from 40.7 per cent a year earlier. This was compensated by exports—including plant and vehicles—which rose by 13.8 per cent to account for 18.4 per cent of total turnover. Imports—including crude oil—rose by 6.3 per cent to account for 32 per cent of total turnover. Offshore businesses centering on foods and fuels showed the highest growth, up by 14.7 per cent to account for 11.5 per cent of total sales.

Since domestic business is generally more profitable than foreign, overall earnings were affected by the declining proportion of Japanese activity.

The company repaid a considerable amount of short-term borrowings during the year when the interest rate was fairly low, which reduced the interest payment burden by Y24bn.

This, however, was more than cancelled out by a Y26bn increase in the costs of sales and administration. Higher overseas wage costs and the translation of foreign currency-based wage costs into the highly depreciated yen, inflated these costs considerably.

Reflecting sluggishness of economic activities in both domestic and overseas markets, the company's equity share in the net earnings of non-consolidated associated companies declined by Y8.7bn or by 25 per cent.

The company adopted the U.S. Federal Accounting Standards Board's statement No. 52, instead of No. 8 for foreign currency translations. In the current fiscal year ending March 1983, Mitsubishi expects that sales and earnings will be better than the previous year because of increased domestic activity.

Fears over Penn Square energy loans

By Paul Betts

PENN SQUARE BANK, a large Oklahoma bank which has been particularly active in oil and gas related lending, appears to face serious problems involving some of the $2bn in energy loans it sold to several other leading banks, including Continental Illinois, Northern Trust Bank of Chicago, and Chase Manhattan.

Only a few months ago, major banks were bidding aggressively for oil and gas business. They assumed large risks by lending money to smaller companies which mushroomed in the drilling boom of the last two years.

But the boom has been overtaken by a recession which has badly hit small companies. They are fighting for survival, and some have already gone out of business.

Seafirst Corp, the parent of Seattle First National Bank, participated in some of the loans sold by Penn Square. The U.S. Comptroller of the Currency had told it that some of them were problem loans, said Seafirst.

American General and NLT in merger talks

BY OUR FINANCIAL STAFF

NLT and American General, two U.S. insurance companies locked in a mutual takeover battle, have switched tactics and begun merger talks.

A fuller announcement about the discussions might be made early next week, said NLT.

Last week NLT said it had increased its stake in American General to about 10 per cent under its $1.3bn offer for 48 per cent of the stock.

This was NLT's response to a takeover offer made by American General, which holds 9.1 per cent of NLT's stock and had proposed a stock swap worth $1.1bn to gain control.

● U.S. insurance companies face more than $1bn in property damage payments from storm losses up to June 20, a first-half record, says the American Insurance Association.

SCM transfer to Singapore

By Our Financial Staff

SCM, THE U.S. diversified industrial group, is to shut down its portable typewriter factory at Groton, New York State, in order to shift production to its existing facility in Singapore.

Mr Freeman Robinson, general manager of SCM's Smith-Corona division, said that dumping of Japanese-made portable typewriters on to the U.S. market had been a significant reason for the company's decision.

SCM's typewriters and appliances group registered an $8.8m loss in 1981, which is expected to be almost trebled to $25m this year. Within the group, appliances including household electrical products, showed a profit

INI holds losses at Pta 100bn

BY ROBERT GRAHAM IN MADRID

INI, Spain's state holding company, managed to hold its losses in 1981 steady at Pta 100bn ($893m). However, these losses do not fully reflect the radical restructuring of INI's finances last year.

Sr Carlos Bustelo, president, was optimistic about the prospects of a real cut in losses in 1982.

Almost 90 per cent of the losses was accounted for by six companies—the two integrated steel companies Ensidesa and AHM; the saloon car producer Seat and the commercial vehicle producer, Emasa; and the two national shipbuilding groups Aesa and Astano.

These three sectors continue to be seriously affected by the domestic recession and depressed international demand. They provided in 1982 35 per cent of INI's Pta 1,027bn worth of sales.

Sales rose Pta 164bn in 1982 through greater competitivity but the main increase reflected the declining value of the pesta.

INI's accounts for 1982 have been adjusted to accommodate the exodus of five important energy companies—Enpetrol, Hispanoil, Eniepsa, Enagas and Butano—to form a special energy holding, INH. This removed a significant element of INI cash flow.

Apart from subsidising depressed sectors of industry, INI losses were caused by a sharp rise in financial charges. If capitalised financial charges are also included this item rose 33 per cent to Pta 165bn last year. Against this management costs were held down and the wage bill rose only 10 per cent, well below the national average.

During the year the Government agreed to take over and charge to the budget Pta 119bn worth of accumulated debt—bonds issued in 1973, 75 and 79. Of this Pta 78bn was used to cover operating losses and Pta 41bn to assist in restructuring debt. This enabled INI to have a cash flow of Pta 49bn. Total investment was 39 per cent up at Pta 210bn.

Machine-tool restructure plan

By Our Financial Staff

THE FIRST stage of the French Government's programme for restructuring the country's ailing machine-tool industry involves creating a holding company to oversee two groups—one specialised in milling and the other in turning.

The Industry Ministry said the scheme called for the Government's industrial development institute—which helps out lame-duck concerns—to put up 35 per cent of the FFr 250m ($36.8m) capital of the holding company; to be called Machine Francaise Lourde.

Nine industrial groups will share the remaining 65 per cent of MFL's capital

Asuag blames poor result on cheap watch glut

ALLGEMEINE Schweizerische Uhrenindustrie (Asuag), Switzerland's largest watchmaking group, has reported a 22 per cent drop in sales in the first four months of the year and said its earnings were badly hit. The company did not publish figures, but blamed its results on continued worldwide overproduction of watches, in particular cheap brands, Reuter reports from Bienne.

Asuag, which has already cut its workforce by 7 per cent and reduced the working hours of nearly half the rest since the start of this year, said further restructuring steps would be taken in the next few months to secure its future. Asuag does not publish its earnings but admits that it made losses in 1980 and 1981.

Last year Societe Suisse pour l'Industrie Horlogere (SSIH), Switzerland's second largest watchmaker, was rescued from bankruptcy

COMMODITIES AND AGRICULTURE

COMMODITIES/REVIEW OF THE WEEK

Copper market stages further recovery

BY OUR COMMODITIES STAFF

THE RISE in copper prices continued this week on the London Metal Exchange. In spite of a setback on Thursday, higher-grade cash copper ended the week £31.5 higher at £777.5 a tonne. At one stage yesterday the three months quotation rose over £800 but this triggered speculative selling and the market closed £13 up at £797.75 a tonne.

Traders said the rally was mainly a technical reaction to the previous heavy fall in prices.

Silver prices gained ground following news from Washington that a report, expected to recommend a resumption of sales of surplus silver from the U.S. strategic stockpile, had been delayed. Peru said it was seeking talks with Mexico and Canada on a plan to suspend export sales for up to three months in an effort to restore prices to $8 an ounce. But a Canadian official denied any talks were going on and commented that his country was not interested in any sort of "cartel" action.

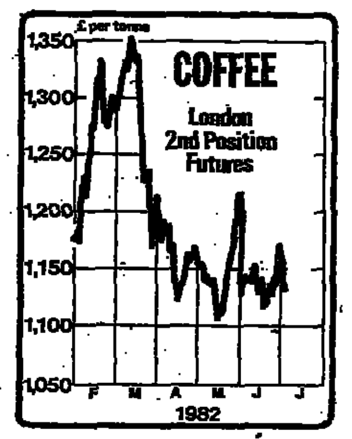
The International Tin Agreement came into force on July 1, and the new Tin Council immediately approved two measures aimed at supporting market prices.

It was agreed to cut exports by producer members of the Agreement by 36 per cent during July-September period reducing sales by 12,800 to 23,200 tonnes. At the same time the buffer stock was authorised to buy a further 12,000 tonnes, if necessary, to continue supporting prices. Under the transitional arrangements from the fifth Agreement, which expired on June 30, 27,666 tonnes held by the buffer stock has been transferred to the new pact. This leaves around 22,000 tonnes held by the buffer stock either to be returned to contributors, who have not joined the new Agreement, or sold off during the next two years.

September delivery coffee ended £3.50 down at £1,135.50 a tonne after falling £23 yesterday.

Despite signs of more flexibility on export quotas from Brazil—which had been demanding 35 per cent of the world market in the 1983-84 selling season, up from 30 per cent—talks at the International Coffee Organisation's London headquarters failed this week to resolve the issue of quota shares after September 1983.

The rally in world sugar values continued this week with the London daily raws price ending £8 up at £109 a tonne—£15 above its recent low. But dealers said the market ended in a confused mood with reports of Chinese buying being counteracted by talk of Indian selling.



WEEKLY PRICE CHANGES

	Latest prices per tonne unless stated	Ch'nge on week	Year ago	1982 High	1982 Low
METALS					
Aluminium	£810/815	—	£810/815	£810/815	£880/910
Free Markets c.i.f.	$935/965	+5	$1150/180	$1120/150	$890/920
Antimony					
Free Market 99.6%	$2100/2200	—25	$2750/850	$2450/550	$2160/200
Copper-Cash High Grade	£777.5	+31.5	£885.5	£875	£690.25
3 months Do. Do.	£797.75	+29.5	£890.75	£903.75	£711.75
Cash Cathodes	£766	+27.5	£860.5	£871	£683.5
3 months Do.	£787	+26.75	£881.0	£898.5	£705.5
Gold per oz	$313	+8	$414	$405.5	$296
Lead Cash §	£325.5	+13	£380.5	£366.5	£282
3 months §	£336.75	+14.25	£380.75	£377.25	£292.5
Nickel	£4080	+158	£3850.5	£4080	£3757.5
Free Markets c.i.f. lb.	252/262c	—3	275/295c	265/295c	230/260c
Platinum per oz.	£260	—	£247	£260	£260
Free Market per oz.	£158.75	+5.95	£215.95	£201.60	£141.15
Quicksilver (76 lbs)	$360/370	—5	$425/430	$415/420	$350/360
Silver per oz.	338.10p	+40.80	445.55p	467.85p	285.10p
3 months per oz.	348.05p	+41.65	458.20p	488.15p	294.00p
Tin cash	£5710	+70	£5632.5	£8985	£5460
3 months	£5820	+55	£5727.5	£8152.5	£5552.5
Tungsten Ind	$110.92	—	$143.64	$134.48	$106.98
Wolfram (22.04 lb.)	$113/116	—	$148/150	$128/132	$102/107
Zinc cash	£415	+9.5	£443.5	£463.75	£370.5
3 months	£421.5	+13.25	£444.25	£469.25	£373.5
Producers	$800	—	$925	$950	$800
GRAINS					
Barley Futures	£104.70z	—0.10	£95.20	£111.80	£102.50
Maize French	£136.50	—0.5	‡	£138.00	£131.50
WHEAT Futures	£109.35z	+0.75	£99.40	£124.40	£107.80
Hard Winter Wheat	‡	—	£116.50	£118.75	£116.00
SPICES					
Cloves (g)	£5,570x	+150	£4,750	£6,600	£5,400
Pepper, White	$1,675v	—	$1,900	$2,000	$1,675
black	$1,200v	—	$1,225	$1,475	$1,200
OILS					
Coconut (Philippines)	$490x	—	$660	$550	$475
Groundnut	‡	—	‡	$715	$575
Linseed, Crude	‡	—	£458	£430	£365
Palm Malayan	$450	—20	$602.5	$545	$450
SEEDS					
Copra (Philippines)	$325	—	$355	$355	$325
Soyabeans (U.S.)	$253.75	—	$291	$277	$250
OTHER COMMODITIES					
Cocoa Shipments §	£957	+6	£1,028	£1,275	£890
Cocoa Futures Sept.	£926.5	+6.5	£972.5	£1,223.5	£868.5
Coffee Futures Sept	£1,135.5	—3.5	£770.5	£1,353.5	£1,104.5
Cotton Index	77.90c	+1.85	86.65c	77.90c	67.90c
Des. Coconut	£500	—	£680	£540	£500
Gas Oil Fut. Aug.	$282.75	+3.5	$288.75	$323	$235.25
Jute LJ ASW C grade	£258w	—8	£230	£270	£258
Rubber kilo	49p	+1.75	59.5p	58.75p	43p
Sago Pearl	£245x	—	£318	£250	£220
Sisal No. 3L	$640/660	—	$720	$640/650	$640
Sugar (Raw)	£109x	+8	£205	£177	£95
Tapioca No. 1	£240x	—	£215	£243	£215
Tea (quality) kilo	128p	—	127p	128p	117p
(plain) kilo	‡	—	80p	80p	78p
Wooltops, 64s Warp	395p kilo	—	374p kilo	402p kilo	375p kilo

‡ Unquoted. (g) Madagascar. (u) Aug. (z) Sept. (y) Aug-Sept. (x) July-Aug. (w) June-July. * Nominal. § Ghana cocoa.

INDICES

FINANCIAL TIMES

July 1	June 30	M'th ago	Y'ar ago
232.96	233.46	230.10	260.11

(Base: July 1 1952 = 100)

REUTERS

July 2	July 1	M'th ago	Y'ar ago
1546.0	1543.9	1511.1	1771.1

(Base: September 18 1931 = 100)

MOODY'S

July 1	June 30	M'th ago	Y'ar ago
999.8	989.4	987.3	1056.6

(December 31 1931 = 100)

DOW JONES

Dow Jones	July 1	June 30	Month ago	Year ago
Spot	122.48	122.65	123.75	[illegible]
Futr's	[illegible]	[illegible]	[illegible]	[illegible]

(Base: December 31 1974 = 100)

BASE METALS

Amalgamated Metal Trading reported that in the morning cash higher grade traded at £783.50, 84, 83, three months £796.00, 97, 98.5, 99, 800.00, 799.5, 99, 99.5, 802.00, 03.00, 04.00, 05.00, 04.00, 03.00, 04.00, 03.5, 03.00. Cathodes, cash £771.00. Kerbs: higher grade: three months £803.00, 03.50, 04.00, 04.50. Afternoon: higher grade, three months £805.00, 04.50, 04.00, 01.00, 800.00, 799.00, 99.50, 99.00, 98.00, 97.50. Kerbs: higher grade, three months £799.00, 98.5, 98, 97, 96.5, 97, 96, 98.5, 97. Turnover 34,225 tonnes.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
HighGrde				
Cash	783-.5	+18½	777-8	+14.5
3 mths	802.5-3.5	+14½	797.5-8	+15
Settlem't	783.5	+18	—	.....
Cathodes				
Cash	771-2	+17.5	765-7	+15
3 months	790-2	+15.5	786-8	+12.5
Settlem't	772	+17	—	.....
U.S. Prod.	—	—	*68-70-75	.....

Tin—Morning: Standard, cash £6,730, three months £6,850, 20, 30. Kerbs: Standard, three months £6,825, 30. Afternoon: Standard, three months £6,820. Kerbs: Standard, three months £6,830. Turnover 1,310 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —†
High Grade	£	£	£	£
Cash	6730-5	—72.5	6705-15	—50
3 months	6830-50	—78	6840-70	—55
Settlem't	6735	—75	—	.....
Standard				
Cash	6730-50	+72.5	6705-15	—50
3 months	6825-35	—105	6815-25	—50
Settlem't	6735	—75	—	.....
Straits E.	$29.15	—	—	.....
NewYork	—	.....		

Lead—Morning: Cash £320.50, three months £333.00, 32.00, 31.60, 30.50, 30.00, 30.50, 31.00. Kerbs: Three months £331.00, 32.00, 33.00. Afternoon: Three months £333.00, 34.00, 35.00, 37.00, 34.00, 35.00, 36.00. Kerbs: Three months £334.00, 35, 36, 35, 34, 33, 32, 33, 34. Turnover 10,076 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Cash	320-.5	+5.5	325-6	+12½
3 months	330.5-1	+5.75	336.5-7	+11½
Settlem't	320.5	+5.5	—	.....
U.S. Spot	—	.....	*25-8	.....

Zinc—Morning: Cash £414.00, three months £420.00, 20.50, 20.00, 21.00, 20.50. Kerbs: Three months £422.00, 23.00. Afternoon: Three months £425.00, 24.00, 23.00, 23.50. Kerb: Three months £420.00, 19, 18. Turnover 7,750 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Cash	414-.5	+4	414.5-5.5	+6.5
3 months	420.5-1	+6	421-2	+5
S'ment	414.5	+5	—	.....
Primw'ts	—	.....	35-7.5	.....

Aluminium—Morning: Three months £560.00, 61.00, 62.00, 62.50, 64.00, 63.50, 63.00, 62.50. Kerb: Three months £562.50, 62.00. Afternoon: Three months £562.00, 59.00. Kerb: Three months £558.50, 58, 57, 56, 57, 57.5, 57. Turnover 8,150 tonnes.

Aluminm	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Spot	[illegible]	[illegible]	[illegible]	[illegible]
3 months	[illegible]	[illegible]	[illegible]	[illegible]

Nickel—Morning: Three months £2,940. Kerb: Three months £2,935. Afternoon: Three months £2,970. Kerbs: Three months £2,980, 70, 75, 70. Turnover 642 tonnes.

NICKEL	a.m. Official	+ or —	p.m. Unofficial	+ or —†
Spot	[illegible]	[illegible]	[illegible]	[illegible]
3 months	[illegible]	[illegible]	[illegible]	[illegible]

* Cents per pound. ‡ M$ per kilo. † On previous unofficial close.

SILVER

Silver was fixed 9.15p an ounce higher for spot delivery in the London bullion market yesterday at 338.1p. U.S. cent equivalents of the fixing levels were: spot 587.5c, up 16.3c; three-month 609c, up 16.5c; six-month 630.8c, up 16.6c; and 12-month 675.4c, up 16.6p, the metal opened at 336-338p (585-589c) and closed at 344-346p (594-598c).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	338.10p	+8.15	341.25p	+10.2
3 months	348.05p	+8.20	352p	+10.7
6 months	357.55p	+9.25	—	.....
12months	378.55p	+8.05	—	.....

LME—Turnover 149 (103) lots of 10,000 ozs. Morning: cash 340.9; three months 347.0, 48.0, 47.5, 50.0, 51.0, 51.5, 51.0, 51.2. Kerb: three months 352.0, 52.5, 53.0, 54.0. Afternoon: three months 355.5, 56.5, 56.0, 54.0, 54.5, 53.5. Kerb: three months 353.0.

COCOA

COCOA	Yesterday's Close	+ or —	Business Done
	£ per tonne		
July	885-87	....	890-74
Sept	926-27	+5.0	926-13
Dec	968-69	+8.0	968-53
March	1006-08	+8.5	1005-992
May	1029-30	+9.5	1030-15
July	1048-52	+9.5	1042
Sept	1070-71	+11.0	1071-55

Sales: 928 (1,750) lots of 10 tonnes.

ICCO—Daily price for July 2: 73.74 (73.28). Indicator price for July 5: 74.21 (74.03).

COFFEE

COFFEE	Yest'day's Close	+ or —	Business Done
July	1243-46	—8.5	1249-41
Sept.	1133-34	—23.0	1152-33
Nov.	1047-50	—30.0	1073-46
January	1016-20	—35.0	1040-21
March	995-00	—28.5	1010-98
May	950-70	—37.5	989-83
July	950-60	—36.0	978-74

Sales: 2,582 (3,246) lots of 5 tonnes.

ICO Indicator prices for July 1: (U.S. cents per pound: Comp daily 1979 120.89 (121.27); 15-day average 120.54 (122.42).

GRAINS

	WHEAT		BARLEY	
Mnth	Yesterd'ys close	+ or —	Yest'rd'ys close	+ or —
July	119.95	—0.95	—	—
Sept	109.35	+0.05	104.70	—
Nov	113.10	+0.10	108.35	—0.05
Jan	116.80	+0.10	111.75	—0.05
Mar	120.10	+0.10	115.00	—0.10
May	123.55	+0.10	118.30	—0.05

Business done—Wheat: July 120.90-119.65, Sept. 109.50-109.05, Nov. 113.10-112.75, Jan. 116.70-116.55, Mar. 120.10-119.85, May 123.50-123.20. Sales: 390 lots of 100 tonnes. Barley: Sept. 104.70-104.60, Nov. 108.40-108.30, Jan. 111.75 only, Mar. 115.10-115.00. May 118.30-118.20. Sales: 209 lots of 100 tonnes.

LONDON GRAINS—Wheat: U.S. Dark Northern Spring No 1 14 per cent Aug 110.50, Sept 110.75 transhipment East Coast. English Feed fob Sept 112.50 South Coast. Jan-March 122.50 East Coast sellers. Maize: French July 136.50, Aug 135.50 sellers. South African White/Yellow July-Aug 86 seller. Barley: English Feed fob Aug 105.50, Oct 110 South Coast sellers. Rest unquoted.

LONDON OIL SPOT PRICES

	Latest	Change + or —
CRUDE OIL—FOB ($ per barrel)		
Arabian Light	[illegible]	[illegible]
Arabian Heavy	[illegible]	[illegible]
Iranian Light	[illegible]	[illegible]
North Sea (Forties)	[illegible]	[illegible]
North Sea (Brent)	[illegible]	[illegible]
African (Bonny Lt'l)	[illegible]	[illegible]
PRODUCTS—North West Europe CIF ($ per tonne)		
Premium gasoline	[illegible]	[illegible]
Gas Oil	[illegible]	[illegible]
Heavy fuel oil	168-170	[illegible]

RUBBER

The London physical market opened slightly lower, attracted little interest throughout the day, and closed quiet. Lewis and Peat recorded a July fob price for No 1 RSS in Kuala Lumpur of 119.5 (202.0) cents a kg and SMR 20 174.0 (175.5).

No. 1 R.S.S.	Yest'r'ys close	Previous close	Business Done
Aug	50.40-50.90	50.80-51.00	—
Sept	51.20-51.50	51.00-51.50	—
Oct-Dec	55.80-55.90	53.50-53.60	54.00-53.70
Jan-Mar	58.10-58.30	55.80-56.00	56.10-55.70
Apl-Jne	58.50-58.30	58.20-58.50	—
Jly-Sept	61.10-61.30	60.90-61.20	61.20-66.20
Oct-Dec	63.80-63.90	63.60-63.90	—
J'n-Mch	66.10-66.20	65.90-66.00	66.20-66.10
Apl-Jne	68.50-68.40	68.20-68.50	—

Sales: 63 (91) lots of 15 tonnes, nil (same) lots of 5 tonnes.

Physical closing prices (buyers) were: Spot 49.00p (same); Aug 52.25p (52.00p); Sept 52.50p (52.25p).

SOYABEAN MEAL

The market opened about unchanged and drifted lower on commercial selling, reports T. G. Roddick.

	Yesterdys Close	+ or —	Business Done
	£ per tonne		
August	126.80-26.4	+0.95	126.60-26.80
October	127.80-28.5	—0.55	129.10-28.50
Dec	132.90-33.1	—0.55	134.10-33.00
Feb	136.30-36.5	—0.55	137.20
April	137.00-38.0	—0.25	—

Sales: 129 lots of 100 tonnes.

SUGAR

No. 4 Contract	Yesterday close	Previous close	Business done
	£ per tonne		
Aug	115.00-15.50	111.75-12.00	117.75-11.75
Oct	118.80-20.00	117.65-17.85	125.00-17.75
Jan	128.00-29.00	123.00-26.00	—
March	131.75-32.00	131.40-31.50	134.50-31.50
May	134.75-35.25	134.40-34.50	136.25-35.00
Aug	139.50-40.00	139.00-39.50	139.50-38.00
Oct	142.50-45.00	142.00-44.00	—

Sales: 4,089 (6,969) lots of 50 tonnes.

Tate and Lyle delivery price for granulated basis white sugar was £406.90 (£374.00) a tonne for home trade and £215.00 (£217.00) for export.

International Sugar Agreement (U.S. cents per pound) fob and stowed Caribbean ports. Prices for July 1: Daily price 7.63 (7.29): 15-day average 6.80 (6.73).

WOOL FUTURES

LONDON NEW ZEALAND CROSSBREDS—Close (in order: buyer, seller, business) New Zealand cents per kg: Aug 387, 375, nil; Oct 389, 395, 391; Dec 397, 405, 400-399; Jan 398, 410, 402; March 410, 418, 412; May 421, 428, nil; Aug 436, 444, nil; Oct 438, 448, 439-438; Dec 441, 449, 442-441; Jan 443, 451, 445. Sales: 17.

SYDNEY GREASY WOOL—Close (in order: buyer, seller, business) Australian cents per kg. July 540.0, 543.0, 540.1-538.5; Oct 514.5, 515.0, 515.0-513.7; Dec 518.0, 518.5, 518.5-516.5; March 525.0, 526.0, 525.5-524.0; May 528.5, 529.0, 529.0; July 537.0, 540.0, 538.0-537.0; Oct 531.0, 535.0, untraded; Dec 538.0, 538.5, untraded. Sales: 106.

GAS OIL FUTURES

Prices rose over the day following a strong New York close and short-covering before the weekend, reports Premier Man.

Month	Yest'day's close	+ or —	Business Done
	U.S. $ per tonne		
July	[illegible]	[illegible]	[illegible]
August	[illegible]	[illegible]	[illegible]
Sept	[illegible]	[illegible]	[illegible]
Oct	[illegible]	[illegible]	[illegible]
Nov	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]
Jan	[illegible]	[illegible]	[illegible]
Feb	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]

Turnover: 944 (1,841) lots of 100 tonnes.

AMERICAN MARKETS

Thursday's closing prices

NEW YORK, July 1.

PRECIOUS METALS lacked direction in a choppy market and finished moderately lower on late liquidation. Copper rallied on commission house short covering and late technical buying. The livestock complex rose sharply on an oversold condition. Wheat rallied sharply on unfavourable harvest weather and carried with it maize and soyabeans for minor gains. Cotton came under heavy pressure from profit-taking. Sugar was higher on light arbitrage buying and trade interest. Heating oil was lower on bearish stock statistics but a late rally reduced losses. Coffee prices reacted to the downside after cold weather failed to develop, reported Heinold Commodities.

††Cocoa—July 1412 (1437), Sept 1452 (1477), Dec 1528, March 1595, May 1636, July 1677, Sept 1717.

Coffee—"C" Contract: July 140.25 (140.60). Sept 131.70-131.90 (133.46), Dec 125.60-125.75, March 120.75, May 117.25-117.75, July 115.25, Sept 112.00-116.00, Dec 110.75.

Copper—July 59.50-59.70 (59.35), Aug 60.55-60.20, Sept 61.30-61.40, Dec 63.85-64.00, Jan 64.70, March 66.50, May 67.85, July 69.40, Sept 70.95, Dec 73.25, Jan 74.00, March 75.55, May 77.10.

Cotton—No. 2: July 67.55-67.80 (68.90), Oct 71.05-71.10 (71.85), Dec 72.90-73.00, March 74.85, May 75.95-76.05, July 76.60-77.00, Oct 76.60-76.75, Dec 75.80-76.00.

*Gold—July 313.7 (314.8), Aug 316.2-316.8 (317.8), Sept 320.3, Oct 323.5-324.3, Dec 331.2-331.9, Feb 338.0, April 347.0, June 354.9, Aug 362.9, Oct 371.0, Dec 379.2, Feb 387.5, April 395.9.

*Platinum—July 265.5-267.0 (276.7), Oct 275.0-276.5 (285.9), Jan 284.7, April 294.5, July 303.4.

Potatoes (round whites)—Nov 67.0-67.4 (67.3), Feb 71.0-73.0 (74.8), March 76.5-77.9, April 87.0-87.4. Sales: 106 (82).

¶Silver—July 590.0-593.0 (602.1), Aug 594.0 (608.0), Sept 602.0-604.0, Dec 625.0-629.0, Jan 635.0, March 654.0, May 667.0, July 683.0, Sept 699.0, Dec 723.0, Jan 731.0, March 747.0, May 763.0. Handy and Harman Bullion spot: 580.00 (594.00).

Sugar—No. 11: Sept 8.11-8.15 (7.91), Oct 8.30-8.33 (8.10), Jan 8.75-8.90, March 9.37-9.40, May 9.60, July 9.82-9.83, Sept 9.96-10.05, Oct 10.00.

Tin—540.00-550.00 (530.00-541.00).

CHICAGO, July 1.

Chicago Imm Gold—Sept 320.0-321.0 (321.2), Dec 331.8-331.5 (333.0), March 343.4, June 355.1, Sept 367.0.

Lard—Chicago loose 22.50 (same).

Live Cattle—Aug 63.60-63.50 (63.25), Oct 61.20-61.12 (60.97), Dec 61.70-61.65, Feb 61.25-61.27, April 60.80, June 62.50.

Live Hogs—July 60.05 (59.17), Aug 59.05-59.00 (57.80), Oct 57.00-56.85, Dec 56.80-56.70, Feb 54.55, April 50.70-50.60, June 51.95, July 51.50, Aug 50.70.

‡‡Maize—July 265-265¾ (265¾), Sept 265½-265¾ (265¾), Dec 269½-269¾, March 284-283¾, May 293¼, July 300¼.

Pork bellies—July 76.75 (74.75), Aug 74.80-74.60 (72.80), Feb 74.90-74.80, March 74.75, May 74.20-74.40, July 73.75, Aug 72.40.

†Soyabeans—July 616-615½ (610¾), Aug 619½-619 (616¾), Sept 621-621½, Nov 627½-627, Jan 642½, March 659, May 673.

‖Soyabean Meal—July 178.9-178.7 (178.3), Aug 179.4-179.2 (178.7), Sept 180.0-179.7, Oct 180.5-180.2, Dec 185.4-185.3, Jan 188.4-188.0, March 192.5-193.5, May 198.0, July 202.0-203.0.

Soyabean Oil—July 18.68-18.67 (18.42), Aug 18.82-18.81 (18.64), Sept 19.01, Oct 19.18, Dec 19.55, Jan 19.82, March 20.10, May 20.35-20.40, July 20.60-20.65.

†Wheat—July 349½-349 (340), Sept 363¾-364½ (355¾), Dec 384-385, March 396½-396¾, May 400, July 394.

All cents per pound ex-warehouse unless otherwise stated. * $ per troy ounce. ¶ Cents per troy ounce. ‡‡ Cents per 56-lb bushel. † Cents per 60-lb bushel. ‖ $ per short ton (2,000 lb). § $Can. per metric ton. §§ $ per 1,000 sq ft. ‡ Cents per dozen. †† $ per metric ton.

POTATOES

LONDON POTATO FUTURES—The market was nervous, consolidating recent levels, reports Coley and Harper. Closing prices: Nov 56.30, +0.50 (high 56.50, low 55.30); Feb 62.30, +0.50 (high 62.30, low 61.30); April 69.30, +0.30 (high 69.70, low 68.50); May 78.30, +0.50 (high 79.00, low 77.50); Nov 64.0, unchanged, (64.50 only). Turnover: 271 (301) lots of 40 tonnes.

GOLD MARKETS

Gold rose $2 an ounce from Thursday's close in the London bullion market yesterday to finish at $313¼-314¼. The metal opened at $313¼-314¼ and reached a high of $315¼-316, before touching a low of $312¼-312¾. Trading was generally quiet with the market easing back from earlier levels, reflecting dollar strength.

LONDON FUTURES

Month	Yest'rday's close	+ or —	Business Done
	$ per troy ounce		
August	[illegible]	[illegible]	[illegible]
Sept'mb'r	[illegible]	[illegible]	[illegible]
October	[illegible]	[illegible]	[illegible]
November	[illegible]	[illegible]	[illegible]
December	[illegible]	[illegible]	[illegible]
January	[illegible]	[illegible]	[illegible]

Turnover: 960 (532) lots of 100 troy ounces.

	July 2	July 1
Gold Bullion (fine ounce)		
Close	[illegible]	[illegible]
Opening	[illegible]	[illegible]
Morning fixing	[illegible]	[illegible]
Afternoon fixing	$312.75	[illegible]
Gold Coins July 2		
Krugrand	[illegible]	
½ Krug	[illegible]	
¼ Krug	[illegible]	
1/10 Krug	[illegible]	
Mapleleaf	[illegible]	
New Sov	[illegible]	
King Sov	[illegible]	
Victoria Sov	[illegible]	
French 20s	[illegible]	
50 pesos Mex.	[illegible]	
100 Cor. Aust	[illegible]	
$20 Eagles	[illegible]	

Stock Exchange dealings

Details of business done shown below have been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission.

Details relate to those securities not included in the FT Share Information Service.

Unless otherwise indicated, denominations are 25p and prices are in pence. The prices are those at which business was done in the 24 hours up to 3.30 pm on Thursday and settled through the Stock Exchange Talisman system; they are not in order of execution; but in ascending order which denotes the day's highest and lowest dealing prices.

For those securities in which no business was recorded in Thursday's Official List, the latest recorded business in the four previous days is given with the relevant date.

‡ Bargains at special prices. ● Bargains done the previous day. Δ Bargains done with non-member or executed in overseas markets.

CORPORATION AND COUNTY

CORPORATIONS—FOREIGN

BANKS, DISCOUNT

BREWERIES

UK PUBLIC BOARDS

COMMONWEALTH GVT

FOREIGN STOCKS (coupons payable London)

COMMERCIAL INDUSTRIAL

A—B

C—D

E—F

G—H

I—J—K

L—M

N—O—P

Q—R—S

T—U—V

W—Y—Z

MINES—MISCELLANEOUS

MINES—SOUTH AFRICAN

OIL

PROPERTY

FINANCIAL TRUSTS

INSURANCE

INVESTMENT TRUSTS

PLANTATIONS

RAILWAYS

SHIPPING

UTILITIES

CHESS

LEONARD BARDEN

THOUGH overshadowed this spring by the concurrent Phillips and Drew Kings in London, the annual Dortmund international has steadily grown in importance. Sponsored by local breweries, the event is now in its tenth year, while each of the sixth to tenth Dortmunds has reached the corresponding FIDE category.

The 1982 tenth Dortmund, FIDE category 10, had Lev Psakhis, the USSR co-champion, as its main attraction. Psakhis, with brilliant results in Eastern Europe, will be a principal rival for England's representative Jonathan Mestel in the Las Palmas world title interzonal which starts next week. His erudition is already a byword: when a Soviet journalist asked him if it was true he knew all Bobby Fischer's games off by heart Psakhis gave the deflating reply "Yes—what's so unusual about that?"

In Dortmund Psakhis was third with 7½ out of 11, half a point behind his compatriot Romanishin and a point in arrears of Hort, the Czech grandmaster. Sharif of Iran was unexpectedly high in fourth place and it seems a good way to improve your game is to leave your homeland. We are accustomed to former USSR players led by Korchnoi doing well in the West: and since the Ayatollah banned chess in Iran the leading Iranian masters Sharif and Shirazi have competed regularly overseas with excellent results.

The Dortmund tournament winner's best game demonstrated an interesting point of theory. Novelties count for little in strategic openings such as the English, while new moves in sharp variations like the Sicilian Defence are often met by compensating improvements from the other side. The most significant innovations occur in openings like the Ruy Lopez and Queen's Gambit where White already has a slight edge: if he can increase it, Black has difficulty fighting back.

White: V. Hort (Czechoslovakia). Black: S. Marjanovic (Yugoslavia).

Queen's Gambit, Meran variation (Dortmund 1982).

1 P-Q4, N-KB3; 2 P-QB4, P-QB3; 3 N-KB3, P-Q4; 4 N-B3, P-K3; 5 P-K3, QN-Q2; 6 B-Q3, PxP; 7 BxBP, P-QN4; 8 B-Q3, P-QR3; 9 P-K4, P-B4; 10 P-K5.

Master opinion has swung away from the alternative 10 P-Q5.

10 PxP; 11 NxNP, PxN; 12 PxN, Q-N3; 13 PxP, BxP; 14 0-0, B-N2; 15 R-K1, P-R3.

All this is book dating right back to 1948, and the problem for Black is that his king lacks a safe square whether or not he castles. If 15...0-0 16 B-KB4, B-Q4; 17 N-K5, NxN; 18 BxN, BxB; 19 RxB, P-B4; 20 Q-Q2. Black's pawns are scattered and weak. Hence he tries a new and enterprising idea—he intends to keep his king on K1 and counter-attack on the flanks.

16 B-KB4, N-B4; 17 B-KB1, R-KN1; 18 R-QB1, RxP (better R-Q1, though 19 N-K5 keeps White's advantage); 19 NxP, RxP; 20 N-B5!

The refutation. White threatens 21 NxB ch, RxN; 22 Q-Q4, a curious fork of Black's rooks. If 20...B-KB1; 21 Q-Q4, R-B7; 22 N-Q6 ch, BxN; 23 BxB, Q-B3; 24 B-N3 and the black king cannot survive long on an open board. Black has prepared a tactical shot of his own...

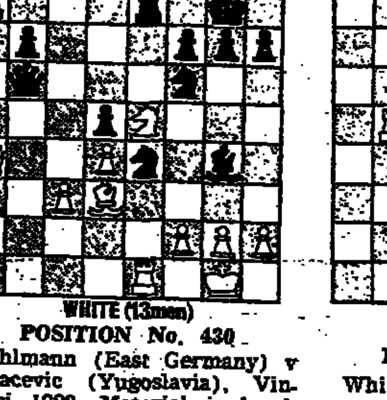
20...RxP; 21 N-Q6 ch (21 KxR? N-Q6 db ch is disastrous), K-K2; 22 B-K3! RxB ch; 23 RxR, B-Q5.

Hoping for 24 QxB, RxP ch.

24 RxP ch, KxN; 25 QxB ch, resigns.

An entertaining battle which tends to confirm that Black's whole counter-attack is dubious. He can vary earlier in the opening with switch to a 6...B-Q3 or 8...B-N2, but that means a switch to a quite different and more solid style.

BLACK (13men)

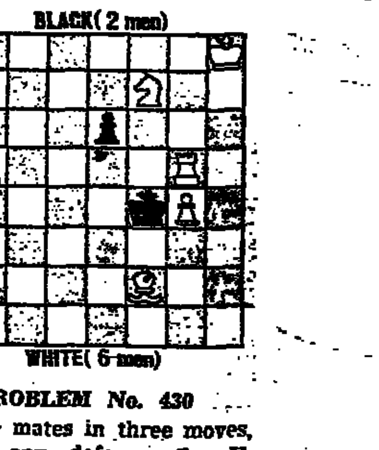


WHITE (13men)

POSITION No. 430

Uhlmann (East Germany) v Kovacevic (Yugoslavia), Vinkovci 1982. Material is level, there seems all to play for, but Black (to move) forced a quick win. How did the game end?

BLACK (2 men)



WHITE (6 men)

PROBLEM No. 430

White mates in three moves, against any defence (by V. Alexandrov, 1979).

Solutions Page 12

BRIDGE

E. P. C. COTTER

YOU WILL enjoy Miracles of Card Play (Gollancz £6.95) by David Bird and Terence Reese, as you read about the escapades of the bridge-playing monks of St Titus. The hands are intriguing and instructive, and the narrative style extremely amusing.

Here Brother Damien is partnered by the awe-inspiring Abbot:

```
            N
            ♠ Q 8 7
            ♥ A 10 2
            ♦ K Q J 8
            ♣ A 9 6
W                       E
♠ 5                     ♠ 6 4 3
♥ 9 4                   ♥ 8 7 6 3
♦ A 10 7 6 5 2          ♦ 9 4 3
♣ K Q J 4               ♣ 10 8 2
            S
            ♠ A K J 10 9 2
            ♥ K Q J 5
            ♦ —
            ♣ 7 5 3
```

With East-West vulnerable the Abbot, sitting North, dealt and bid one no trump, Brother Damien replied with three spades, and jumped to six spades over his partner's rebid of four clubs, which accepted spades and showed the Ace of clubs.

Winning West's club King on the table, the declarer returned the diamond King, but when East unconcernedly dropped the three, he ruffed. He saw that with an even break in trumps he could discard a club on the fourth heart, and ruff a club in dummy. His mind made up, he cashed Ace, King of spades, but West showed out on the second round. East had to follow to four rounds of hearts, so a club could be thrown from the table, but when Brother Damien led a club, East won it, and returned a trump, which defeated the contract.

"You should duck the opening lead," said the Abbot. "Then you can take two rounds of trumps and play hearts, as you did."

"Are you sure that is the best line?" asked Lucius, who was the monastery champion. "With all those entries to dummy, isn't it possible to play a dummy reversal, ruffing four diamonds in hand?"

"You or I might play it that way," said the Abbot, "but young players must follow first principles. To duck the club Ace is all that could be expected of a postulant."

Thursday night in the monastery was duplicate night. On this occasion the Abbot was due to play with Brother Paulo, recently signed from a monastery near Milan. After making four spades doubled on the previous hand, Brother Paulo was all set to press home his advantage, when East dealt this hand:

```
            N
            ♠ A 8 5
            ♥ Q 9 8 5 2
            ♦ A Q
            ♣ 8 7 2
W                       E
♠ K 3                   ♠ J 9 6 4
♥ J 10 4                ♥ K 7
♦ 10 9 7 5              ♦ 8 6 4 3
♣ 10 9 5 4              ♣ A Q 6
            S
            ♠ Q 10 7 2
            ♥ A 6 3
            ♦ K J 2
            ♣ K J 3
```

With North-South game, Brother Paulo opened the bidding on the South cards with one heart, and the Abbot replied with one spade. South raised to two spades, and North now said four hearts. Brother Paulo looked hurt — had the Abbot never heard of a tactical opening — and bid four spades. The Abbot glared — had the Italians never heard of a tactical response — and his bid of five hearts brought the auction to a close.

Taking West's diamond ten with the Ace, South saw that he needed both club honours well placed, and a final endplay, so he led a club and successfully finessed the Knave. Returning to dummy's diamond Queen, he led another club. East won with the Ace, and returned a third club to the King. Brother Paulo discarded a spade on his diamond King, and threw East in with Ace and another trump. On the spade return the declarer played his ten, the King covered, and the Ace won. The heart Queen drew the last trump, and the contract was made.

"Good gracious," said the Abbot, consulting the score sheet, "four pairs went down in four hearts. So our delicate auction landed us in the par contract. Five hearts is cold, and four hearts goes one down."

20 ¼ Da ¼ 1 ½ 2. 3¼pcDb 1974-84 £77½ (30/6). 3½pcDb 1979-89 £78 9¼. 3½pcDb 1979-89 £30½⊕. 5½pc Db 1980-82 £97¼. 6½pcDb 1994-97 £26¼⊕ ¼⊕. 6½pcDb 1995-99 £27¼⊕. 3½pcIrrdDb £15

WATER WORKS

Bournemouth District Wtr 3.5pc (fmly 5pc) £32 (30/6).
Bristol Wtr 4.9pc (fmly 7pcMax) £44
Cambridge Wtr 4.2pc (fmly 6pc) Pf 1984-86 £76 ½. 7pcDb 1983-85 £81⅛ (29/6). 7¼pcDb 1988-90 £64 (28/6)
East Anglian Wtr 4.2pc (fmly 6pc) Pf 1982-83 £87½ (£30/6). 9pcDb 1982-94 £67½⊕
East Surrey Wtr 4.2pc (fmly 6pc) Pf 1985-90 £59½ (30/6)
Eastbourne Wtr 10½pcDb 1995-97 £74½⊕
Essex Wtr 10½pcDb 1994-96 £76¼ (29 6)
Folkestone District Wtr 7pcDb 1986-89 £62 (29/6)
Lee Valley Wtr 4.2pc (fmly 6pc) Pf 1982-84 £81½ ½ (28/6). 4.55pc (fmly 6½pc) Pf 1982-83 £87 (30/6)
Mid Kent Wtr 3.5pc (fmly 5pc) £31 (30/6). 3.5pc (fmly 5pc) Pf £31 2 (28/6). 4.2pc (fmly 6pc) Pf 1985-87 £66 (30/6). 4.55pc (fmly 6½pc) Pf 1983-84 £83 (29/6)
Mid-Southern Wtr 3.5pc (fmly 5pc) £31 (30/6). 4.2pc (fmly 6pc) Pf 1984-86 £72½ (29/6). 5pcDb £32½
Mid-Sussex Wtr 4.9pc (fmly 7pc) Max £46 (29/6)
Newcastle Gateshead Wtr 3.5pc (fmly 5pc) Pf £31½ (29/6)
Portsmouth Wtr 10pcPf 1986 £107½ ½ (30/6)
Rickmansworth Uxbridge Vall Wtr 3.5pc (fmly 5pc) £33 (28/6). 13pcDb 1984 £99½ (29/6)
South Staffordshire Wtr 4.9pc (fmly 7pc) Class A £43½⊕. 4.9pc (fmly 7pc) Class B £44 (28/6). 9¼pcDb 1998-2000 £66 (30/6)
Sunderland South Shields Wtr 3.5pc (fmly 5pc) £33 (30/6). 4.2pc (fmly 6pc) Pf 1986-88 £67 (30/6). 4.55pc (fmly 6½pc) 1982-84 £81¼ (30/6). 7pcDb 1986-88 £66 (28/6)
York Wtr 4.9pc (fmly 7pcMax) £41 (25/6)

UNLISTED SECURITIES MARKET

Black (Michael) (20p) 93
CAMRA (Real Ale) (ww (£1) 113 5
Carlton Real Estates (5p) 16¼. 10pcDb 1993-95 £78 80 (30/6)
Continental Microwave (Hldgs) 410 (30/6)
Cramphorn (£1) 720 (28/6)
Dencora New FpAL (30/7) 93 (30/6)
Eldridge Pope A (Rest Vtg) (£1) 420
Exeter Bldg Constrn Go (50p) 170 (30/6)

Fuller Smith Turner A (£1) 550 (30/6)
London Continental Advert Hldgs (5p) 25. 11½pcLn 1995-02 AL (30/7) 109 11
McCarthy Stone New (20p) (FpIAL-30/7) 187
Merrydown Wine 93 5
Metal Bulletin (10p) 116½ ½ (25/6)
Microfilm Reprographics (10p) 64
Midland Marts Gp 66
Miles 33 New (10p) (FpILA-2/7) 112 (30/6)
New Court Natural Resources Wts 5
Oilfield Inspection Services Gp New (20p) (FpIGR-13/8) 150 4
Radio City ANV 86. New A (FpILA-14/7) 67 6
Ruddle (G.) (10p) 182
Television South 14/20pcLn 1986-88 97 (30/6)
United Friendly Ins B (Rest Vtg) (10p) 230
Wiltshire Systems (Restd. Div) 4

RULE 163 (1) (e)

Bargains marked in securities which are quoted or listed on an Overseas Stock Exchange

Abertoyle 250⊕
Aprico Eagle 250 (29/6)
Algoma Central Rwy 550 (28/6)
Alliance Oil Dev Australia 66⊕
Allstate Exp 10 (30/6)
American Home Prods £21⅝ 12¾ (30/6)
Ampol Exp 720 85 (28/6)
Anglo Utd Dev 33 (28/6)
Apex Oil (A$0.25 Pd) 6 (28/6)
Ashton Mining 50 (25/6)
Atlantic Richfield £22 (30/6)
Australian Cons Minerals 72 75
Australian Oil Gas 530 (30/6)
Avnet Inc £23¾ (28/6)
BMI 80 3
BP Canada £9.60⊕ £9.30 ¼ 9 80
Basin Oil 116⊕ 15
Beach Pet 18 (25/6)
Bearcat Explorations 60 (30/6)
Brambles Ind 116 (25/6)
Bridge Oil 196 (30/6)
Bristol Myers £33⅝ (30/6)
Canon Inc 160 1 (30/6)
Carnation £18¼
Castlemaine Tooheys 311⊕ 1
Central Norseman 200⊕ (29/6)
Cities Service $56 £31½ ¼
Coca-Cola £18¼ (28/6)
Digital Equipment $US69¼ (28/6)
Dome Mines 385 (28/6)
East African Power Ltg 35 (29/6)
Energy Res Aust 90
Ensearch £10⅞ (30/6)
Eurocan Ventures 25 (30/6)
Forsyth Oil Gas 8¼ (30/6)
Fuji Photo Film 305 6
Gen Expl 1½
Gearhart Inds £9⅞ (28/6)
Grace Bros 205 (25/6)
Greenvale Mining (A$0.05 Pd) 3 (25/6)
Gulf Canada 598 605
Hartogen Energy 115 (30/6)
Hewlett Packard £25⅞ (30/6)
Hitachi 125 30 1 2
Hong Kong Kowloon Wharf 46 (30/6)
Hong Kong Telephone 2980 3050
Hospital Co America £17⅛
IAC 290 (25/6)
Intnl Comm Technology Hldgs £18 17¼
Intl Harvester 245 (29/6)
Johnson Johnson £22¼ (30/6)
Kaiser Steel $17⅞⊕ 18¼⊕ ¼⊕ ½ ¼
Kerr McGee £14¼ (28/6)
Key West Resources 80
Kulim (Malaysia) 46 (30/6)
Lee Hing Dev 36 (28/6)
Magnet Metals 40 (28/6)
Mogul Mining 36 (25/6)
Monarch Pets 4½ (30/6)
Moore Corp £13 (28/6)
Mount Carrington 71 (28/6)
Myer Emporium 83 4 (29/6)
NL Inds £12¼ (30/6)
Negri River 9 (29/6)
Newmont Mining £18.05 (30/6)
New Zealand Forest Prods 123 (30/6)
Nicholas Kiwi 85 (29/6)
Noranda Mines 620 (30/6)
Oakbridge 80 (30/6)
Oil Co Australia 34 (30/6)
Do. Options 17½ (28/6)
Oil Search 7½ (30/6)
Oriental Pets Mins 0⅞ (28/6)
Oriental Pets B 0⅞ (28/6)
Otter Expln 17 (29/6)
O'seas Chinese Banking 52 3 (25/6)
Pall Corpn £14⅞ (25/6)
Pancontinental Pet 131 (29/6)
Pancontinental Pet Options 718 (29/6)
Pechiney Ugine Kuhlmann $US18 (29/6)
Penn Central £15 (25/6)
Pepsico Inc £22¼⊕ 1⅞
Petrofina SA £50 (30/6)
Philip Morris Inc £29⅞
Phillips Pets £18¼⊕ (29/6)
Pilgrim Pet 20 (28/6)
Pioneer Concrete 73
Poseidon 79 81
Prime Computer £10⅞ (28/6)
Project Oil Exp 17 (25/6)
RCA Corp £10¼ (25/6)
Raytheon £21¼ (30/6)
Reef Oil 86 7
Royex Sturgex Mining 65 (29/6)
Seagull Pipeline 260 (28/6)
Selangor Coconuts 60
Selangor Prods 122 (25/6)
Sleigh 68 70
Spargo 70 (30/6)
Standard Oil Indiana $US40⅝ ⅞ £23¼ 4½ (28/6)
Standard Oil Ohio £19¼ (28/6)
Stelco Glass A Cnv 770
Sterling Pets 20 1
Sturts Meadow Prospecting 39½⊕ 40⊕
Superior Oil £16½⊕ ½ 32⅝ 9 ¾ ⅝ ¼
Swire Pacific B 19 (25/6)
Target Pets (A$0.15 Pd) 8 11
Teck Con B 2350 (28/6)
Texas Oil Gas £16½⊕
Tri-Continental £10 (25/6)
Umal Cons 105 (29/6)
Unilever NV (Fl 20) £30¼ (30/6)
Union Pacific Corp £20½ (25/6)
Utd Overseas Bank $US3 93½ p110
Valiant Consd 4 ½ 6 (29/6)
Waste Management £16¼⊕
Westfield Mins 45 (30/6)
Westinghouse Elect £14⅛ (30/6)
West Trend Res 15 (29/6)
Wheelock Marden B 30 (30/6)
Zone Petroleum 1050 (29/6)

RULE 163 (2) (a)

Applications granted for specific bargains in securities not listed on any Stock Exchange.

All England Lawn Tennis Gnd £500Dbs. 1981-85 (ex 1982 tickets) £8,000
Booth (Charles) 31 ½ 3 (28/6)
Cannon St. Invs 10 5
Castletown Brewery 282 7 (30/6)
Carr's Milling Inds 7½pcUnsLn 1001/05 £43 (28/6)
Central TV 115 5
Channel Hotels Props 11 ½ (28/6)
CIC Inv (Ord 1p) ½ ¾
Dawson (Wm.) 139 7⅛ 40
East Anglian Secs £98 100 (26/6)
Grampian TV 44 7 (29/6)
Guernsey Gas Light 425 (29/6)
HTN 97 ½ (28/6)
Heavitree Brewery A 950 65
Hemerdon Mng Smelting 52 5
Jesset Tst 5½ (30/6)
Le Riches Stores 238 42 (29/6)
Lifeguard Assurance 307 10 (28/6)
Nationwide Leisure 10¼ 13⁄16
NMY Computers 1¼ 5
Norton Villiers Triumph ½ 1⅛ (30/6)
Ouvah Highfields 65 7 (30/6)
PMPA Insce 39 ½
Pentlow Hldgs 106 10
Plantation Gen Invs 68 ½ (25/6)
Rangers FC £14
Roche Plant 11⅞ 2 (30/6)
Scottish Ceylon Tea 37 ½
Sheraton Sec Intnl 71¼ (30/6)
Southern Newspapers 149 50 1
Tom Hill 5 (25/6)
Wolverhampton Wdrs FC £38 40 (29/6)

RULE 163 (3)

Dealings for approved companies engaged solely in mineral

Celtic Basin Oil Ex Ord £1 205

(By permission of the Stock Exchange Council)

MONEY MARKETS

UK clearing bank base lending rate 12½ per cent (since June 8)

Interest rates showed little change in London yesterday although there was a very slight decline over the week. This was reflected in the average rate of discount at yesterday's Treasury bill tender which fell to 12.2313 per cent from 12.2696 per cent. However attention remained focused on U.S. interest rates and their performance over the weeks to come.

The Bank of England forecast a shortage in the money market of around £250m with factors affecting the market including bills maturing in official hands and a net take up of Treasury bills —£206m and a rise in the note circulation of £190m, partly offset by Exchequer transactions of +£50m. The forecast was later revised to a shortage of £300m and the Bank gave assistance in the morning of £164m, comprising purchases of eligible bank bills; £80m in band 2 (15-33 days) at 12½ per cent, £74m in band 3 (34-63 days) at 12⅜ per cent and £10m in band 4 (64-84 days) at 12$\frac{5}{16}$ per cent. The forecast was revised once more to a shortage of £350m before taking into account the morning's operations. Further assistance was given in the afternoon of £118m, making a grand total of £282m. The afternoon help was made up of purchases of £26m eligible bank bills in band 2 at 12½ per cent, £10m of Treasury bills and £2m of eligible bank bills and in band 3 at 12⅜ per cent and £80m of eligible bank bills in band 4 at 12$\frac{5}{16}$ per cent. In the interbank market weekend money opened at 12¾-13 per cent and eased to 12½-12¾ per cent around lunchtime. Rates crept back to 12¾-13 per cent in the afternoon with some late balances taken nearer 12 per cent.

In Paris the Bank of France lowered its money market intervention rate to 15 per cent from 15¼ per cent when it bought first category paper from the market, thereby injecting funds into the system. The fall is consistent with the authorities recent policy of reducing interest rates now that pressure has been removed from the French franc within the European Monetary System.

CURRENCIES

The dollar recovered from earlier levels yesterday to finish the week on a firm but quiet note. Earlier in the day fears of a rise in unemployment had tended to depress the U.S. unit but an unchanged figure anounced later in the day pushed the dolar firmer.

Against the D-mark it rose to DM 2.4760 from DM DM 2.4725 and Y256.45 from Y256.25 but eased against the Swiss franc to SwFr 2.1035 from SwFr 2.1090. On Bank of England figures the dollar's trade weighted index rose to 121.0 from 120.8.

Sterling was slightly firmer overall. Its index remained at 91.3 all day, up from Thursday's figure of 912.2. Against the dollar it closed at $1.7310-1.7320, a fall of just 25 points. It was unchanged against the D-mark at DM 4.2875 and weaker against the Swis franc at SwFr 3.6425 from SwFr 3.6575.

THE POUND SPOT AND FORWARD

July 2	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.7290-1.7400	1.7310-1.7320	0.38-0.43c dis	−2.81	1.33-1.38dis	−3.13
Canada	2.2275-2.2375	2.2290-2.2310	0.75-0.85c dis	−4.30	2.55-2.65dis	−4.66
Nethlnd.	4.71½-4.74½	4.73¼-4.74¼	1¾-1¼c pm	3.80	4½-4 pm	3.59
Belgium	81.50-82.00	81.88-81.98	20-25c dis	−3.29	67-77 dis	−3.51
Denmark	14.76-14.83	14.81-14.83	1⅞-2ore dis	−1.26	7⅞ dis	−2.26
Ireland	1.2413-1.2470	1.2460-1.2470	0.69-0.81p dis	−7.22	1.97-2.16dis	−6.66
W. Ger.	4.26½-4.29½	4.28¾-4.29¼*	1⅝-1⅛pf pm	3.85	4-3½ pm	3.50
Portugal	144.50-146.50	145.00-145.50	80-285c dis	−14.25	230-765dis	−13.70
Spain	192.50-195.00	192.85-193.15	170-195c dis	−11.35	510-565dis	−11.04
Italy	2,398-2,407	2,398¼-2,400¼	15-18 lire dis	−8.25	50-54 dis	−8.67
Norway	10.92-11.04	10.93-10.94	3½-4½ore dis	−4.32	11¼-12½dis	−4.32
France	11.84-11.90	11.88½-11.89½	2-4c dis	−3.03	10½-12½dis	−3.87
Sweden	10.59-10.63	10.59¾-10.60¾	1¾-2¼ore dis	−2.26	4½-5⅞ dis	−1.84
Japan	440-448	443½-444½	2.29-2.09y pm	5.92	6.33-6.13 pm	5.61
Austria	30.00-30.20	30.10-30.15	14-11gro pm	4.98	36½-30 pm	4.41
Switz.	3.63-3.65	3.63¾-3.64¾	2⅞-2⅜c pm	8.65	7⅞-6⅞ pm	7.82

Belgian rate is for convertible francs. Financial franc 89.50-89.60. Six-month forward dollar 2.72-2.77c dis, 12-month 4.65-4.80c dis.
* The closing rate for July 1 should have read 4.28¾-4.29¾.

EXCHANGE CROSS RATES

July 2	Pound St'rling	U.S. Dollar	Deutschem'k	JapaneseYen	FrenchFranc	Swiss Franc	Dutch Guild'	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1	1.732	4.288	444.0	11.89	3.648	4.738	2400.	2.230	81.93
U.S. Dollar	0.578	1.	2.476	256.4	6.867	2.104	2.736	1386.	1.288	47.32
Deutschemark	0.233	0.404	1.	103.6	2.773	0.850	1.105	559.7	0.520	19.11
Japanese Yen 1,000	2.252	3.900	9.657	1000.	26.78	8.204	10.67	5405.	5.023	184.5
French Franc 10	0.841	1.456	3.606	373.4	10.	3.063	3.984	2018.	1.876	68.91
Swiss Franc	0.275	0.475	1.177	121.9	3.264	1.	1.301	658.8	0.612	22.49
Dutch Guilder	0.211	0.365	0.905	93.72	2.510	0.769	1.	506.5	0.471	17.29
Italian Lira 1,000	0.417	0.722	1.787	185.0	4.955	1.518	1.974	1000.	0.929	34.14
Canadian Dollar	0.448	0.776	1.923	199.1	5.332	1.633	2.124	1076.	1.	36.74
Belgian Franc 100	1.221	2.113	5.233	541.9	14.51	4.446	5.782	2929.	2.722	100.

EURO-CURRENCY INTEREST RATES (Market closing Rates)

July 2	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	D-mark	French Franc	Italian Lira	Belgian Franc Conv.	Belgian Franc Fin.	Yen	Danish Krone
Short term	12⅝-12¾	15-15¼	14½-15½	8⅛-8¾	2⅛-2¾	8$\frac{9}{16}$-8$\frac{11}{16}$	15-15½	18-20	—	14½-15	6⅛-6¾	12-13½
7 day's notice	12¾-12⅞	15⅛-15⅝	15½-16⅛	8½-8¾	2⅛-3	8$\frac{9}{16}$-8$\frac{11}{16}$	15-15½	19⅞-21⅛	14½-15½	14¾-16¼	6¼-6⅞	13¼-14¾
Month	12⅞-13	15⅝-15⅝	16½-16¾	8$\frac{11}{16}$-8$\frac{13}{16}$	4⅛-4¼	9$\frac{1}{16}$-9$\frac{3}{16}$	15⅛-15⅝	20¼-21¼	15½-16½	15$\frac{1}{16}$-15⅝	7-7⅛	16⅝-17⅛
Three months	13-13⅛	15$\frac{15}{16}$-16$\frac{1}{16}$	17$\frac{1}{16}$-17$\frac{3}{16}$	8⅛-8¼	4¾-4⅞	9$\frac{1}{16}$-9$\frac{3}{16}$	16½-16¾	21¼-22	16-17	15½-15¾	7$\frac{5}{16}$-7$\frac{7}{16}$	16-17½
Six months	13⅛-13¼	16⅛-16⅜	17$\frac{1}{16}$-17$\frac{3}{16}$	8¼-8⅜	5$\frac{7}{16}$-5$\frac{9}{16}$	9$\frac{5}{16}$-9$\frac{7}{16}$	17¾-18	22-22½	16-17	15½-15¾	7$\frac{5}{16}$-7$\frac{7}{16}$	17⅛-18⅝
One Year	13⅛-13¼	15⅞-16⅛	17⅜-17⅝	8$\frac{7}{16}$-8$\frac{9}{16}$	5$\frac{7}{16}$-5$\frac{9}{16}$	9⅜ 9½	18⅝-18¾	22½-23⅛	16¼-16¾	15⅜-15⅝	7⅛-7¼	17¾-19¼

SDR linked deposits: one month 12¾-13⅛ per cent; three months 13$\frac{5}{16}$-13$\frac{9}{16}$ per cent; six months 13½-13⅞ per cent; one year 13½-13⅞ per cent.

ECU linked deposits: one month 12¼-12⅝ per cent; three months 12$\frac{13}{16}$-12$\frac{15}{16}$ per cent; six months 13¼-13½ per cent; one year 13¼-13⅝ per cent.

Asian $ (closing rates in Singapore): one month 15$\frac{7}{16}$-15$\frac{9}{16}$ per cent; three months 15$\frac{13}{16}$-15$\frac{15}{16}$ per cent; six months 16⅛-16¼ per cent; one year 16$\frac{1}{32}$-16$\frac{5}{16}$ per cent. Long-term Eurodollar two years 15⅞-16⅛ per cent; three years 15⅞-16⅛ per cent; four years 15⅞-16⅛ per cent; five years 15⅞-16⅛ per cent; nominal closing rates. Short-term rates are call for U.S. dollars, Canadian dollars and Japanese yen; others two days' notice.

The following rates were quoted for London dollar certificates of deposit: one month 15.15-15.25 per cent; three months 15.60-15.70 per cent; six months 15.75-15.85 per cent; one year 15.75-15.85 per cent.

FT LONDON INTERBANK FIXING (11.00 a.m. JULY 2)

3 months U.S. dollars		6 months U.S. dollars	
bid 15 7/8	offer 16	bid 16 5/16	offer 16 5/16

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rate for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

LONDON MONEY RATES

July 2 1982	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount Market Deposits	Treasury Bills ⊕	Eligible Bank Bills ⊕	Fine Trade Bills ⊕
Overnight	—	12-13	12⅝-12¾	—	—	13	12-12⅝	—	—	—
2 days notice	—	—	12⅝-12¾	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	13⅛-13¼	12-12⅝	—	—	—
7 days notice	—	12⅝-13	12¾	—	—	13¼	12½-12⅝	12½-12$\frac{11}{32}$	12$\frac{11}{32}$	13$\frac{1}{16}$
One month	13-12$\frac{15}{16}$	12⅞-13$\frac{1}{16}$	13	13½-13¼	13	13¼-13⅛	12¼-12⅜	12⅜-12$\frac{11}{32}$	12⅜-12$\frac{13}{32}$	13$\frac{1}{16}$
Two months	13-12$\frac{15}{16}$	12$\frac{15}{16}$-13$\frac{1}{16}$	—	13⅛-13¼	13	13¼-13⅛	12¼-12⅜	12¼-12$\frac{11}{32}$	12$\frac{7}{16}$	13
Three months	13-12$\frac{15}{16}$	12$\frac{15}{16}$ 13$\frac{1}{16}$	13	13⅜-13⅛	13	—	—	—	12⅛-12$\frac{3}{16}$	12¾
Six months	12$\frac{15}{16}$-12$\frac{13}{16}$	13-13⅛	13	12⅞-12¼	13$\frac{1}{16}$	—	—	—	—	—
Nine months	12$\frac{15}{16}$-12$\frac{13}{16}$	13-13⅛	—	13⅝-13⅛	13⅛	—	—	—	—	—
One year	12$\frac{15}{16}$-12$\frac{13}{16}$	13-13⅛	13	13⅛-12⅞	13⅛	—	—	—	—	—
Two years	—	—	13	—	—	—	—	—	—	—

Local authorties and finance houses seven days' notice, others seven days fixed. Long-term local authority mortgage rates, nominally three years 13¾ per cent; four years 13⅞ per cent; five years 13⅞ per cent. ⊕ Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 12$\frac{11}{32}$-12$\frac{7}{16}$ per cent; four months trade bills 13 per cent.

Approximate selling rate for one month Treasury bills 12$\frac{7}{16}$-12$\frac{15}{32}$ per cent; two months 12$\frac{5}{16}$-12$\frac{11}{32}$ per cent; three months 12$\frac{3}{16}$-12$\frac{7}{32}$ per cent. Approximate selling rate for one month bank bills 12½ per cent; two months 12$\frac{11}{32}$-12⅜ per cent and three months 12¼-12$\frac{9}{32}$ per cent; one month trade bills 13$\frac{1}{16}$ per cent; two months 12$\frac{15}{16}$ per cent; three months 12¾ per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 13½ per cent from July 1 1982. London and Scottish Clearing Bank Rates for lending 12½ per cent. London Clearing Bank Deposit Rates for sums at seven days' notice 9½ per cent. Treasury Bills: Average tender rates of discount 12.2313 per cent. Certificates of Tax Deposit (Series 5) 13¾ per cent from June 30. Deposits withdrawn for cash 11 per cent.

CURRENCY MOVEMENTS

July 2	Bank of England Index	Morgan Guaranty Changes%
Sterling	91.3	−33.1
U.S. dollar	121.0	+12.9
Canadian dollar	85.6	−21.5
Austrian schilling	117.1	+26.8
Belgian franc	94.8	−1.3
Danish kronar	82.3	−14.3
Deutsche mark	124.8	+49.1
Swiss franc	145.5	+96.3
Guilder	115.7	+22.8
French franc	74.1	−20.1
Lira	53.6	−58.4
Yen	132.2	+25.8

Based on trade weighted changes from Washington agreement December, 1971. Bank of England index (base average 1975=100).

OTHER CURRENCIES

July 2	£	$		£ Note Rates
Argentino Peso	27,282-27,302	15,700-15,750	Austria	29.95-30.25
AustraliaDollar	1.6980-1.7000	0.9805-0.9810	Belgium	88.30-89.30
Brazil Cruzeiro	299.23-300.23	172.33-173.19	Denmark	14.73-14.86
Finland Markka	8.180-8.189	4.7250-4.7270	France	11.79-11.89
Greek Drachma	119.508-120.082	69.00-69.30	Germany	4.25¼-4.29¼
Hong Kong Dollar	10.286-10.2000	5.8885-5.8935	Italy	2340-2380
IranRial	146.35*	84.30*	Japan	443-448
KuwaitDinar(KD)	0.4980-0.4990	0.2878-0.2880	Netherlands	4.70¼-4.74¼
Luxembourg Fr.	81.88-81.98	47.31-47.33	Norway	10.92-11.02
Malaysia Dollar	4.0880-4.0980	2.3650-2.3660	Portugal	142-158
New Zealand Dlr.	2.3340-2.3380	1.3475-1.3495	Spain	185½-191½
Saudi Arab. Riyal	5.9520-5.9610	3.4390-3.4405	Sweden	10.57-10.67
Singapore Dollar	3.72-3.73	2.1510-2.1540	Switzerland	3.61¼-3.65¼
Sth.African Rand	1.9826-1.9850	1.1450-1.1465	United States	1.72½-1.74½
U.A.E. Dirham	6.3635-6.3645	3.6715-3.6645	Yugoslavia	82-97½

* Selling rate.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU July 2	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	44.9704	45.1500	+0.40	+0.27	±1.5501
Danish Krone	8.23400	8.16618	−0.82	−0.95	±1.6430
German D-Mark	2.33379	2.36098	+1.17	+1.04	±1.0888
French Franc	6.61387	6.55211	−0.93	−1.06	±1.3940
Dutch Guilder	2.57971	2.61011	+1.18	+1.05	±1.5004
Irish Punt	0.691011	0.685303	−0.83	−0.96	±1.6691
Italian Lira	1350.27	1326.86	−1.73	−1.73	±4.1369

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

U.K. CONVERTIBLE STOCK 3/7/82

Statistics provided by *DATASTREAM International*

Name and description	Size (£m)	Current price	Terms*	Conversion dates⊕	Flat yield	Red yield	Premium† Current	Premium† Range‡	Income Equ§	Income Conv¶	Income Div♡	Cheap(+) Dear(−)◇ Current
British Land 12pc Cv 2002	9.60	260.00	333.3	80-97	4.7	2.3	−1.3	−2 to 3	32.5	85.8	20.2	+21.5
Hanson Trust 9½pc Cv 01-06	81.54	120.75	71.4	85-01	8.3	7.9	3.7	1 to 14	83.1	75.6	− 6.4	−10.1
Slough Estates 10pc Cv 87-90	5.03	203.50	234.4	78-83	4.9		−6.6	−9 to 1	11.3	4.7	− 3.0	− 3.6
Slough Estates 8pc Cv 91-94	24.88	95.00	97.5	80-88	8.4	8.7	4.8	4 to 15	27.0	31.8	5.3	+ 0.6

* Number of ordinary shares into which £100 nominal of convertible stock is convertible. † The extra cost of investment in convertible expressed as per cent of the cost of the equity in the convertible stock. ‡ Three-month range. § Income on number of ordinary shares into which £100 nominal of convertible stock is convertible. This income, expressed in pence, is summed from present time until income on ordinary shares is greater than income on £100 nominal of convertible or the final conversion date whichever is earlier. Income is assumed to grow at 10 per cent per annum and is present valued at 12 per cent per annum. ¶ Income on £100 of convertible. Income is summed until conversion and present valued at 12 per cent per annum. ♡ This is income of the convertible less income of the underlying equity expressed as per cent of the value of the underlying equity. ◇ The difference between the premium and income difference expressed as per cent of the value of underlying equity. + is an indication of relative cheapness. − is an indication of relative dearness. ⊕ Second date is assumed date of conversion. This is not necessarily the last date of conversion.

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED TRUSTS

LONDON STOCK EXCHANGE

Rail deadlock causes fresh erosion in confidence

Equity index ends at lowest for nearly six months

Account Dealing Dates

Option

*First Dealings	Declarations	Last Dealings	Account Day
June 21	July 1	July 2	July 12
July 5	July 15	July 16	July 26
July 19	July 29	July 30	Aug. 9

* "New time" dealing may take place from 9 am two business days earlier.

For the second successive week London stock markets closed facing the prospect of another national rail strike. This follows the deadlock in the dispute between British Rail and Aslef over flexible rostering and the latter's decision to halt rail services from midnight.

Equities were again the most vulnerable sector because of a continuation of the recent erosion in investment confidence. The dearth of business has been particularly worrying for equity dealers and has added to the market's current depression about UK economic prospects, emphasised yesterday in the Bank of England's latest quarterly bulletin.

Conditions were extremely sensitive and ideal for renewed loose talk concerning large stock sales. A few above-average lines of leading shares did come on offer yesterday, but were placed without difficulty. Nevertheless, the tone at the end of the fortnightly trading Account was drab and underwent little change after the official, 3.30 pm, close when trade is permitted without penalty for the Account beginning on Monday.

Few equity sections resisted the malaise, although Electricals and defence stocks held firm comforted by details of the multi-million pound defence-spending programme. Speculative interest for situation issues and potential takeover stocks was sporadic, but some firm features emerged. Depicting the otherwise dismal trend, the FT Industrial Ordinary share index closed 6.3 down for a loss on the Account of 15 points at 543.0, its lowest since January 18.

An easing of the upward pressures on U.S. interest rates gave Gilt-edged securities cause to hold recent gains. After Thursday's sharp response to a limited specialist demand, low-coupon shorts marked time amid considerable speculation of a possible new tap issue; in the event, no new Government funding was announced at yesterday's official close.

Remaining Gilts were quiet and little changed, apart from isolated fractional losses among selected long-dated stocks. Sterling also had a less volatile day in foreign exchange markets.

Eagle Star active

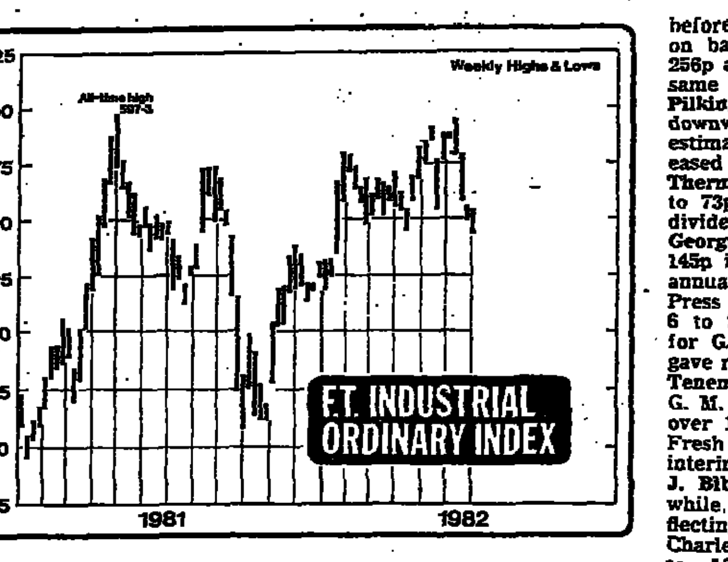
After opening around 18 higher in the wake of speculative buying late on Thursday on talk that the EEC Commission's ruling on Allianz Versicherungs' 28 per cent stake in the company was imminent, Eagle Star were actively traded and the close was 16 up on the overnight level at 343p. Elsewhere, Sun Life met support and put on 5 to 365p, while Refuge firmed 4 to 236p. Brokers Minet Holdings, down 7 on Thursday on fading bid hopes, touched 136p before rallying late to close a penny firmer on balance at 139p. C. E. Heath met renewed support and firmed 8 to 345p.

Initial falls in the major clearing banks were pared and occasionally erased in the late trading. Barclays settled 3 cheaper on balance at 375p, after 373p, and Midland 5 off at 315p, after 312p. Lloyds and NatWest, marginally easier at one stage, reverted to the overnight levels of 380p and 420p respectively. Discount Houses took a distinct turn for the better, Cater Allen gaining 18 to 308p, Gillett 7 to 147p and Alexanders 5 to 225p. Union also added 5 to 440p, while Smith St Aubyn hardened 2 to 31p. Merchant Banks contrasted, Mercury losing 10 to 195p and Hambros 5 to 115p. Hire Purchases had George Sturla 1½ down at a 1982 low of 9½p.

A technical hitch delayed the start of trading in Knight Computer International in the Unlisted Securities Market yesterday following the placing at 60p; dealings are expected to start on Monday.

The continuing downward trend of beer consumption as shown by the May production figure has little effect in the drinks sector. Bass eased the turn to 219p, but other leaders retained the overnight positions. Among Wines and Spirits, Distillers reacted to further small selling in front of the preliminary figures scheduled for Thursday week and eased for a two-day fall of 8 at 171p.

A few pence easier during the "House" session, leading Buildings picked up in after-hours' dealings to close with modest gains in places. RMC ended a penny dearer on balance at 242p, after 240p, while Blue Circle reverted to the overnight level of 438p, after 433p. Tarmac edged up a couple of pence to 282p and Redland a penny to 180p. Elsewhere, talk that a sizeable line of stock was overhanging the market left Ibstock Johnsen 6 down at a 1982 low of 55p. Profit-taking in the wake of the excellent preliminary results clipped 3 from Trent Holdings to 45p, while lack of interest left Burnett and Hallamshire 15 down at 835p. Russel Brothers (Paddington) shed 5 to 53p on the year's loss and dividend cut, but HAT Group, preliminary results due on July 13, hardened 2 to 82p. Down 3 on Thursday on fading bid hopes, William Leach slipped to 47p before fresh speculative support left the close a penny up on balance at 50p.



ICI drifted off on lack of interest to close 4 cheaper at 304p. Fisons eased 5 to 355p, while Amersham, at 218p, gave up 2 of the previous day's gain of 5; the latter's annual results are due on July 12. Other Chemicals inclined easier included Brent, 2 cheaper at 112p, and Ellis and Everard, a like amount off at 140p.

Hepworth lower

Stores ended a disappointing week on a subdued note and the leaders hovered around the overnight levels in the continued absence of investment incentive. Movements of note among secondary counters were also few and far between. Polly Peck declined to 322p on profit-taking before the efforts of a few cheap buyers left the close a net 12 off at 326p. In contrast, Cornell Dresses attracted call option business and rose 5 to 150p. Speculative support was also forthcoming for Sumrie Clothes, 3 dearer at 48p, while further consideration of the interim statement and property revaluation lifted Stead and Simpson A a like amount to 60p. Evans and Owen added 5 to 125p after increased full-year earnings, but Lee Cooper, 108p, and H. Samuel, 90p, both shed 5 on scattered selling. Diminishing takeover hopes prompted end-Account selling of J. Hepworth, 3 cheaper at 92p.

In contrast to most other areas, the Electrical leaders held steady helped by the Defence Secretary's announcement of a multi-million pound defence purchasing programme. Following the previous day's sharp fluctuations on the results and capital proposals, GEC moved within narrow limits before settling a couple of pence harder at 985p. Ferranti also showed to advantage with a gain of 7 to 740p.

Among secondary issues, Muirhead firmed 5 to 150p and MK Electric 10 to 403p. Arlen, however, gave up 2 to 22p on the half-year trading loss. Quest Automation were noteworthy for a reaction of 5 to 52p along with Forward Technology, which eased 2 to 15p.

Engineerings put on another drab performance. Still reflecting a broker's adverse circular, TI encountered fresh selling and weakened 8 more to 104p for a fall of 14 on the week. John Brown eased 2 to 52p and Hawker 6 to 314p, while GKN touched 140p before settling 4 down on the day at 142p. Among secondary issues, P. Brotherhood were lowered 5 for a drop of 18 on the week to 78p. Davy Corporation reacted 4 to 118p and Davies and Metcalfe A closed the same amount lower at 50p. Scattered offerings left Birmid Qualcast 2½ cheaper at 28½p.

Leading Foods were idle and usually shed a few pence, where changed. Associated Dairies remained on offer and eased 2 more to 120p, while J. Sainsbury, up 10 on Thursday following the chairman's confident statement at the annual meeting, gave up 5 to 630p; the latter's shares go ex the one-for-one scrip issue on Monday. Tesco cheapened a penny to 63p and William Low a couple of pence to 172p. Fitch Lovell however, gained the turn to 77p; the annual results are due on July 29. Elsewhere, Cadbury Schweppes improved a penny to 91p, but Rowntree Mackintosh lost 2, to 162p. Interim profits slightly below market estimates left Associated Fisheries 2 cheaper at 66p, while Unigate, 15, softened a penny to 80p.

Thermal Synd. weak

Leading miscellaneous industrials finished a shade above the worst in places. Bowater touched a 1982 low of 193p before settling at 195p, down 2 on balance. Beecham fell 6 to 256p and Reed International the same amount to 284p, while Pilkington Group, unsettled by a downward revision in profit estimates for the company, eased 5 to 200p. Elsewhere, Thermal Syndicate weakened 9 to 73p on the reduced interim dividend and half-year loss. St. George's Group hardened 3 to 145p in response to satisfactory annual results and favourable Press mention lifted Henry Boot 6 to 272p. Speculative demand for G. M. Firth, up 9 at 150p, gave rise to bid hopes in Howard Tenens, which firmed 4 to 51p; G. M. Firth has a stake of just over 12 per cent in the latter. Fresh support awaiting the interim figures, due shortly, left J. Bibby up 10 more at 275p, while, Kennedy Smale, still reflecting the merger talks with Charles Hill, improved 5 more to 165p. In contrast, Rank Organisation met occasional selling and eased 5 to 144p and Hoover A gave up 3 to 77p. Falls in smaller-priced issues included Cowan de Groot, 2 off at 29p, and Staffordshire Potteries, a like amount down at 20p.

A couple of firm spots emerged in the Leisure sector. Barr and Wallace Arnold Trust A gained 4 to 66p following Press comment, while Black and Edgington put on 2 to 44p on revived speculative interest. Elsewhere, end-Account offerings clipped 10 from Nimslo to 170p, while lack of support left Management Agency and Music 2 cheaper at 89p. Among travel concerns, Intasun, dealt in the Unlisted Securities Market, softened a penny to 122p; the company has agreed to acquire two Boeing 757s previously ordered by British Airways.

Certain Properties encountered scrappy selling, Stock Conversion shedding 7 for a two-day fall of 12 to a 1982 low of 283p and Haslemere Estates losing 4 to a low for the year of 342p. Thames Investments stayed at 92p, but the 12 per cent Convertible dropped 7 to 85p. After Thursday's speculative gain of 3½, Laganvale Estates relinquished ½ to 23p. Among the isolated firm spots, Town and City put on 1½ to 27½ in response to the much reduced annual loss and the announcement that the group is now in profit.

Oils react again

The intensification in the petrol price war unsettled Oil shares further and served to round off a particularly drab week in the sector. Shell weakened 10 to 380p, while BP reacted 6 for a fall on the week of 16 to 274p. Lasmo gave up 10 to 280p and Burmah 4 to 132p. Among the exploration issues, Berkeley weakened afresh to 180p before settling 5 off on the day at 185p. KCA International eased 4 to 64p.

Investment Trusts trended to slightly lower levels reflecting the easier tone elsewhere in equities. Among Financials, stockjobbers Smith Bros added 3 for a two-day gain of 6 to 48p following confirmation of the company's rumoured Far-eastern expansion plans.

Textiles displayed little alteration from Thursday's closing levels. Nottingham Manufacturing added a couple of pence to 172p while, among lower-priced issues, U. U. Textiles attracted speculative support in a restricted market and added 4 to 27p.

Bats remained depressed by the U.S. Federal Trade Commission's objection to the tar content of its Barclay brand and on possible increases in U.S. tobacco taxation and eased 3 to record a fall on the week of 30 at 415p. Imperial Group, interim results expected next Thursday, eased 1½ to 104p.

South African industrials finished a buoyant week on a firm note. OK Bazaars added 15 to record a gain on the week of 85 at 675p. Tiger Oats rose 30 to 700p, while Greatermans A closed 28 to the good at 288p.

Australians weak

Recently dull Australian mining issues fell sharply, depressed by another poor performance in overnight Sydney and Melbourne markets.

The overnight weakness stemmed from the continued decline of Wall Street and London markets coupled with reports suggesting a poor economic outlook for Australia during the rest of 1982.

Leading issues were marked down sharply at the outset and drifted for the rest of the session. Western Mining led the market lower, falling 16 to a year's low of 167p, while MIM Holdings retreated 11 to 152p, and Peko-Wallsend 8 to a 1982 low of 216p. CRA lost a like amount to 162p and North Broken Hill 6 to a low of 97p.

South African Golds closed a fraction easier on balance. The firmer bullion price — finally $2 higher at $313 an ounce — prompted modest buying at the outset, but small initial gains were soon erased.

The Gold Mines index eased 0.5 to 197.2, reducing the gain over the week to 6.1.

South African Financials tended to ignore the riots on the gold mines and generally closed a shade firmer, where changed. GFSA improved ⅜ to £21⅜ while Anglo American Corporation edged up 4 to 414p. Coals made progress with Transvaal Consolidated Land ⅛ to the good at £15⅛ and "Amcoal" ⅛ harder at £10⅛.

De Beers, on the other hand, encountered profit-taking and relinquished 7 to 187p.

London-registered Financials closed a generally good week on an uncertain note, unsettled by the continued decline in UK equities.

Rio Tinto-Zinc dipped 4 to 360p but retained a week's improvement of 7 reflecting the recent strong recovery in copper prices on the London Metal Exchange and Comex. Charter managed a 2 rise to 192p.

Traded Options ended the Stock Exchange Account on a surprisingly active note with 1,922 deals, comprising 1,461 calls and 461 puts. The week's daily average amounted to 1,689. GEC attracted useful support in the wake of the preliminary figures with 459 calls transacted, 100 in the October 800's and 101 in the January 950's. Lonrho also returned to the limelight with 280 deals struck, 200 of which were recorded in the August 70's; the interim results are due at the end of the month. British Petroleum continued to attract a well-balanced trade and attracted 184 calls and 122 puts.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Fri July 2 1982 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Thurs July 1 Index No.	Wed June 30 Index No.	Tues June 29 Index No.	Mon June 28 Index No.	Year ago (approx.) Index No.	1982 High	1982 Low	Since Compilation High	Since Compilation Low
1	CAPITAL GOODS (209)	385.14	−0.3	9.71	4.35	12.84	386.40	387.45	386.05	380.47	359.31	403.71 (8/6)	351.14 (14/1)	403.71 (8/6/82)	50.71 (13/12/74)
2	Building Materials (23)	320.27	−0.4	12.49	5.70	10.05	321.43	324.21	322.73	318.57	309.02	349.38 (10/5)	299.54 (6/1)	349.38 (10/5/82)	44.27 (11/12/74)
3	Contracting, Construction (28)	574.46	−0.4	15.27	5.37	7.72	576.78	578.02	575.78	569.83	563.85	641.41 (10/5)	529.58 (6/1)	641.41 (10/5/82)	71.48 (2/12/74)
4	Electricals (31)	1495.48	+0.1	7.08	2.17	17.95	1494.25	1490.84	1483.84	1455.36	1175.46	1495.48 (2/7)	1205.68 (14/1)	1495.48 (2/7/82)	84.71 (25/6/62)
5	Engineering Contractors (11)	473.89	−1.0	13.56	6.38	8.91	478.50	477.96	477.39	470.78	505.95	523.05 (5/2)	470.39 (21/6)	523.05 (5/2/82)	64.39 (2/1/75)
6	Mechanical Engineering (67)	193.69	−1.0	11.74	6.08	10.30	195.63	197.04	196.24	194.37	215.41	208.93 (8/6)	187.11 (6/4)	230.26 (24/4/81)	45.43 (6/1/75)
8	Metals and Metal Forming (11)	146.00	−1.3	12.74	8.25	9.75	147.91	150.11	149.51	146.33	152.45	182.98 (29/1)	146.00 (2/7)	192.29 (4/5/79)	49.65 (6/1/75)
9	Motors (20)	84.88	−0.9	1.97	8.24	—	85.65	86.40	86.73	86.25	103.94	102.40 (3/2)	84.88 (2/7)	170.59 (15/1/69)	19.91 (6/1/75)
10	Other Industrial Materials (18)	347.81	−0.3	10.53	6.14	11.66	348.93	351.07	351.45	349.55	387.81	410.63 (5/2)	344.69 (21/6)	410.63 (5/2/82)	277.55 (15/1/81)
21	CONSUMER GROUP (202)	299.06	−0.5	13.18	5.83	9.20	300.56	302.48	301.77	298.29	284.46	317.49 (8/6)	265.59 (5/1)	317.49 (8/6/82)	61.41 (13/12/74)
22	Brewers and Distillers (22)	316.56	−0.4	14.66	6.45	8.33	317.83	321.02	318.67	315.09	316.09	334.50 (7/6)	261.00 (12/1)	334.50 (7/6/82)	69.47 (13/12/74)
25	Food Manufacturing (22)	259.17	—	17.97	7.27	6.49	259.10	260.66	260.18	256.43	265.99	287.47 (27/1)	255.63 (21/6)	287.47 (27/1/82)	59.67 (11/12/74)
26	Food Retailing (14)	606.33	−0.8	9.25	3.69	13.12	611.33	610.56	610.96	600.27	545.13	626.32 (4/5)	545.79 (5/1)	626.32 (4/5/82)	54.25 (11/12/74)
27	Health and Household products (9)	451.64	−1.3	7.56	3.74	15.65	457.39	456.69	455.56	448.06	346.59	478.83 (8/6)	338.70 (5/1)	478.83 (8/6/82)	175.38 (28/5/80)
29	Leisure (23)	411.01	−0.5	10.73	5.64	11.72	413.00	413.07	409.31	408.21	430.52	461.12 (2/4)	408.21 (28/6)	476.41 (14/8/81)	54.83 (9/1/75)
32	Newspapers, Publishing (13)	506.57	−0.1	13.46	6.16	9.35	507.05	505.74	505.88	508.55	502.50	538.78 (3/6)	472.39 (14/1)	538.78 (3/6/82)	55.08 (6/1/75)
33	Packaging and Paper (14)	136.83	−1.4	17.06	8.01	6.81	138.81	140.45	140.37	138.96	149.74	153.22 (8/6)	130.74 (5/1)	161.79 (1/5/81)	43.46 (6/1/75)
34	Stores (45)	268.75	−0.2	10.77	5.17	12.29	269.23	272.10	272.00	268.12	259.11	289.81 (8/6)	238.02 (5/1)	294.06 (30/4/81)	52.63 (6/1/75)
35	Textiles (23)	162.53	+0.1	14.37	6.61	8.45	162.41	163.99	163.68	161.05	163.63	182.62 (12/5)	152.91 (5/1)	235.72 (17/1/67)	62.66 (11/12/74)
36	Tobaccos (3)	325.44	−1.0	22.43	8.45	5.03	328.59	332.27	333.30	334.64	268.26	349.15 (10/5)	251.28 (6/1)	349.15 (10/5/82)	94.34 (13/6/62)
39	Other Consumer (14)	261.97	−0.5	6.32	5.91	30.24	263.41	264.79	266.29	266.03	301.33	297.26 (2/4)	247.87 (1/1)	311.40 (1/5/81)	229.84 (28/9/81)
41	OTHER GROUPS (76)	247.69	−0.7	14.07	6.79	8.59	249.38	250.34	250.32	248.16	230.25	266.83 (8/6)	228.88 (5/1)	266.83 (8/6/82)	58.63 (6/1/75)
42	Chemicals (15)	326.64	−1.2	14.52	7.31	8.26	330.56	332.65	332.54	330.17	285.39	353.57 (9/6)	297.89 (5/1)	353.57 (9/6/82)	71.20 (1/12/74)
44	Office Equipment (4)	100.44	−2.5	16.19	8.69	7.58	103.00	103.17	102.30	100.94	117.08	131.88 (29/1)	100.44 (2/7)	246.06 (1/9/72)	45.34 (2/1/75)
45	Shipping and Transport (13)	541.25	−0.2	19.84	7.60	6.12	542.47	546.42	547.74	544.81	555.32	587.26 (5/2)	515.46 (5/1)	644.76 (24/4/81)	90.80 (29/6/62)
46	Miscellaneous (44)	324.24	−0.1	11.73	5.81	10.34	324.47	324.75	324.94	321.56	300.32	345.99 (8/6)	289.92 (5/1)	345.99 (8/6/82)	60.39 (6/7/75)
49	INDUSTRIAL GROUP (487)	321.15	−0.5	11.97	5.39	10.20	322.62	324.13	323.31	319.35	302.34	339.96 (8/6)	289.79 (5/1)	339.96 (8/6/82)	59.01 (13/12/74)
51	Oils (13)	660.41	−2.3	23.92	8.80	4.74	675.85	686.36	689.81	702.48	708.27	758.70 (28/5)	627.13 (10/3)	1065.24 (19/11/80)	87.23 (29/5/62)
59	500 SHARE INDEX	348.89	−0.7	13.77	5.91	8.70	351.47	353.70	353.21	350.56	335.26	373.84 (8/6)	324.63 (12/1)	373.84 (8/6/82)	63.49 (13/12/74)
61	FINANCIAL GROUP (117)	239.02	—	—	7.09	—	239.01	240.66	240.35	238.23	271.08	268.53 (8/3)	238.23 (28/6)	279.45 (1/9/81)	55.88 (13/12/74)
62	Banks (6)	260.08	−0.6	40.01	8.75	2.74	261.62	262.08	261.62	256.48	276.84	304.42 (22/2)	256.48 (28/6)	304.42 (22/2/82)	62.44 (12/12/74)
63	Discount Houses (9)	227.73	+2.3	—	10.02	—	222.54	221.07	222.21	221.43	284.78	246.71 (1/1)	211.15 (7/1)	314.03 (20/3/81)	81.40 (10/12/74)
65	Insurance (Life) (9)	259.88	+0.2	—	7.04	—	259.25	261.74	262.08	260.80	273.18	277.25 (11/6)	243.18 (12/1)	298.44 (1/9/81)	44.88 (2/1/75)
66	Insurance (Composite) (10)	150.33	+0.9	—	9.42	—	148.95	150.46	150.60	148.69	179.40	171.78 (5/3)	147.23 (20/5)	188.09 (1/9/81)	43.96 (13/12/74)
67	Insurance Brokers (7)	500.30	+0.4	11.26	5.19	12.15	498.46	498.49	490.41	486.16	408.57	518.18 (11/6)	410.59 (13/1)	518.18 (11/6/82)	65.86 (16/12/74)
68	Merchant Banks (12)	132.98	−1.3	—	6.67	—	134.67	135.37	135.52	135.34	179.27	156.03 (1/1)	132.98 (2/7)	278.57 (1/5/72)	31.21 (7/1/75)
69	Property (49)	397.19	−0.1	5.66	4.05	23.66	397.58	402.88	402.13	402.13	492.89	468.36 (11/3)	397.19 (2/7)	517.77 (2/4/81)	56.01 (20/4/65)
70	Other Financial (15)	164.61	−0.4	18.61	6.96	6.21	165.21	164.56	164.73	164.08	179.21	189.35 (11/2)	163.74 (21/6)	303.18 (18/5/72)	33.29 (17/12/74)
71	Investment Trusts (111)	284.77	−0.4	—	5.75	—	286.05	286.37	286.24	285.05	316.73	319.65 (11/2)	283.53 (6/1)	332.90 (17/8/81)	71.63 (13/12/74)
81	Mining Finance (4)	178.80	−0.5	17.72	7.94	7.07	179.69	181.30	180.00	175.59	246.52	241.76 (3/2)	169.40 (21/6)	296.26 (14/8/81)	66.31 (30/9/74)
91	Overseas Traders (18)	336.40	−0.4	15.23	9.52	8.07	337.72	339.74	336.89	334.76	450.89	438.99 (11/2)	327.29 (21/6)	488.51 (18/5/81)	97.37 (6/1/75)
99	ALL-SHARE INDEX (750)	318.92	−0.6	—	6.18	—	320.81	322.79	322.30	319.78	322.49	340.98 (8/6)	306.22 (12/1)	340.98 (8/6/82)	61.92 (13/12/74)

FIXED INTEREST

	PRICE INDICES	Fri July 2	Day's change %	Thurs July 1	xd adj. today	xd adj. 1982 to date
	British Government					
1	5 years	112.84	+0.08	112.75	—	5.98
2	5-15 years	112.04	—	112.04	—	6.91
3	Over 15 years	114.89	−0.05	114.95	—	7.64
4	Irredeemables	117.75	−0.27	118.07	—	7.27
5	All Stocks	112.90	+0.01	112.89	—	6.88
6	Debentures & Loans	88.44	+0.05	88.39	—	5.56
7	Preference	65.68	—	65.68	—	3.42

	AVERAGE GROSS REDEMPTION YIELDS		Fri July 2	Thurs July 1	Year ago (approx.)	1982 Highs	1982 Lows
	British Government						
1	Low	5 years	10.90	10.88	12.37	13.49 (5/1)	10.88 (1/7)
2	Coupons	15 years	12.60	12.58	12.96	14.28 (5/1)	12.40 (7/6)
3		25 years	12.91	12.89	13.15	14.17 (12/1)	12.33 (23/3)
4	Medium	5 years	13.63	13.61	14.27	16.41 (12/1)	13.39 (7/6)
5	Coupons	15 years	13.72	13.69	14.89	16.10 (5/1)	13.41 (7/6)
6		25 years	13.15	13.13	14.47	15.46 (12/1)	12.85 (7/6)
7	High	5 years	13.67	13.66	14.37	16.30 (8/1)	13.35 (7/6)
8	Coupons	15 years	13.86	13.84	15.07	16.28 (5/1)	13.57 (7/6)
9		25 years	13.26	13.24	14.68	15.76 (12/1)	12.91 (7/6)
10	Irredeemables†		12.51	12.46	12.53	13.64 (12/1)	12.06 (10/3)
11	Debs & Loans	5 years	14.76	14.75	15.38	17.07 (12/1)	14.38 (9/6)
12		15 years	14.63	14.64	15.44	16.85 (12/1)	14.45 (8/6)
13		25 years	14.56	14.58	15.49	16.72 (12/1)	14.44 (8/6)
14	Preference†		15.10	15.10	15.65	16.24 (11/1)	15.82 (26/3)

Equity section or group	Base date	Base value	Equity section or group	Base date	Base value
Other Industrial Materials	31/12/80	287.41	Other Financial	31/12/70	128.06
Other Consumer	31/12/80	238.14	Food Manufacturing	29/12/67	114.13
Health/Household Prods.	30/12/77	261.77	Food Retailing	29/12/67	114.13
Other Groups	31/12/74	63.75	Insurance Brokers	29/12/67	96.67
Overseas Traders	31/12/74	100.00	Mining Finance	29/12/67	100.00
Engineering Contractors	31/12/71	153.84	All Other	10/4/62	100.00
Mechanical Engineering	31/12/71	153.84	British Government	31/12/75	100.00
Office Equipment	16/1/70	128.20	Debs. & Loans	31/12/77	100.00
Industrial Group	31/12/70	128.20	Preference	31/12/77	76.72

† Flat yield. A list of the constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4, price 15p, by post 28p.

RECLASSIFICATION: Fisons has moved from group 42 to group 27. DEBS AND PREFS: Allied Suppliers has changed its name to Cavenham. CONSTITUENT CHANGE: Ductile Steels deleted, replaced by Jackson (J. and H. B.) (8).

RECENT ISSUES

EQUITIES

Issue price p	Amount paid up	Latest Renunc. Date	1982 High	1982 Low	Stock	Closing price p	+ or −	Div. p. or amount	Times Covered	Gross Yield	P.E. Ratio
¶¶	—	30/7	13	11	Argyll Foods Warr'ts.	12	—	—	—	—	—
¶¶	F.P.	—	48	45	Argyle Trust	45	—	—	—	—	—
¶250	F.P.	25/6	280	260	Assoc. Heat Services	270	......	b9.0	2.1	4.8	15.7
46	F.P.	30/7	65	50	Bairstow Eves 5p	50	......	b1.61	2.5	4.6	12.9
§90	F.P.	25/6	101	92	✠Black (Michael) 20p	92	......	u3.0	2.4	4.7	12.7
15	F.P.	15/4	32	19	Cambrian & Gen. 7½p	30	......	—	—	—	—
§260	F.P.	4/6	435	293	✠Cont. Microwave	420	......	b5.25	3.9	1.8	15.6
§5†8	F.P.	30/7	59	52	✠Dencora	52	......	—	—	—	—
§30	F.P.	28/5	166	140	✠Druck Hldgs.	166	+1	b2.3	2.5	2.0	28.8
§87½p	F.P.	25/6	98	84	Electro-Prot. US$0.50	90	......	uQ1.5c	8.3	0.9	12.1
—	—	—	17	10	Group Inv Option	12	......	—	—	—	—
§137	F.P.	30/7	185	150	✠McCarthy & Stone	184	+1	b5.75	2.7	4.5	11.1
§105	F.P.	2/7	121	110	✠Miles 33 10p	112	......	ud2.8	4.3	3.6	9.7
600	F.P.	2/7	630	595	Oriflame SA (US$1.50)	600	−5	bQ50c	2.2	4.5	9.6
§150	F.P.	—	155	150	✠Oilfields Insp. Srvc.	152	......	u2.1	3.7	2.0	17.4
77	F.P.	14/7	97	88	✠Radio City 'A' NV	88	......	b5.5	1.5	9.1	10.3
140	F.P.	29/6	185	160	✠Ruddle (G.) 10p	184	......	b3.5	2.6	2.6	21.7
¶¶	F.P.	—	90	40	Zambia Cons Cpr 10K	50	......	—	—	—	—

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1982 High	1982 Low	Stock	Closing price £	+ or −
§100	Nil	9/7	7pm	1½pm	Benlox 8% Conv. Cum. Rd. Pf.	1½pm	......
*100	£10	25/8	11¾	10½	Bournemouth Water 9% Red. Prf. 8789	11¾	......
¶¶	F.P.	—	146½	130	First Nat. 12½pc Conv. Uns. Ln. 1987	130	......
101	F.P.	30/7	109	107	✠Lon & Cont 11½% Conv. Sub. Uns. Ln. '85-92	108	......
§100	F.P.	9/7	101	92½	Marlborough Props. 10% Cnv. Ln. '98-2002	92½	......
98.55	£25	8/10	25	23¾	Midland Bk. 14% Sub. Uns. Ln. 2002-07	24½	−¼
100	F.P.	—	100½	100½	Nationwide Bdg. Soc. 13½% (5/6/83)	100½	......
100	F.P.	—	99⅞	99⅞	Do. 14% (4/7/83)	99⅞	......
99.345	£25	—	25¼	24½	New Zealand 14¼% 1987	25⅛	+⅛
*100	F.P.	—	47	38	RIT & Northern 4pc Net Cum. Prf. £1	41	......
*100	F.P.	—	46	45	Do. 4.7pc Net Cum. Prf. £1	46	......

"RIGHTS" OFFERS

Issue price p	Amount paid up	Latest Renunc. date		1982 High	1982 Low	Stock	Closing price p	+ or −
166	Nil	9/7	6/8	22pm	18pm	Applied Computer Tech.	18pm	......
170	F.P.	13/5	24/6	190	180	Bank Leumi (UK) £1	185	......
135	F.P.	26/5	9/7	180	156	Carless Capel 10p	156	......
174	F.P.	18/6	30/7	233	218	Grand Met 50p	228	−2
25	Nil	—	—	2pm	2pm	Jenks & Cattell	2pm	......
50	F.P.	24/6	13/8	58	52	Press (Wm.) 10p	56	−1
325	F.P.	17/5	30/7	445	380	Saatchi & Saatchi 10p	388	−2
215	Nil	5/7	13/8	40pm	28pm	Sketchley	37pm	......
26	F.P.	10/5	10/6	25	24	Young (H.)	25	......

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimate. d Dividend rate paid or payable on part of capital: cover based on dividend on full capital. g Assumed dividend and yield. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1982. Q Gross. T Figures assumed. ● Figures or report awaited. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price. p Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation, merger or take-over. ‖‖ Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. †† Dealings under special Rule. ✠ Unlisted Securities Market. ‡‡ London Listing. ‡ Effective issue price after scrip. † Formerly dealt in under Rule 163(2)(a). ★★ Unit comprising five ordinary and three Cap. shares. Δ Issued free as an entitlement to ordinary holders.

FINANCIAL TIMES STOCK INDICES

	July 2	July 1	June 30	June 29	June 28	June 25	A year ago
Government Secs.	69.39	69.49	69.44	68.94	68.60	68.64	65.51
Fixed Interest	69.99	69.85	69.76	69.49	69.31	69.35	67.36
Industrial Ord.	543.0	549.3	554.3	552.0	544.2	549.1	548.0
Gold Mines	197.2	197.7	203.7	198.3	197.4	191.1	290.8
Ord. Div. Yield	5.69	5.65	5.58	5.60	5.68	5.65	5.55
Earnings, Yld.% (full)	11.91	11.69	11.63	11.67	11.83	11.76	11.71
P/E Ratio (net) (*)	10.21	10.39	10.45	10.41	10.28	10.35	10.64
Total bargains	13,753	13,230	13,517	12,323	12,305	12,525	17,778
Equity turnover £m.	—	122.93	111.84	103.24	69.28	81.35	105.67
Equity bargains	—	10,560	9,870	9,673	8,610	8,960	14,820

10 am 544.9. 11 am 544.8. Noon 543.0. 1 pm 542.5. 2 pm 542.5. 3 pm 542.4.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. SE Activity 1974.

Latest Index 01-246 8026.

* Nil=9.48.

HIGHS AND LOWS

	1982 High	1982 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	70.40 (7/5)	61.89 (5/1)	127.4 (9/1/35)	49.18 (6/1/75)
Fixed Int.	70.57 (14/5)	62.79 (7/1)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	594.0 (8/6)	518.1 (5/1)	597.3 (30/4/81)	49.4 (26/6/40)
Gold Mines	302.0 (5/1)	181.2 (22/6)	558.9 (22/9/80)	43.5 (26/10/71)

S.E. ACTIVITY

	July 1	June 30
Daily		
Gilt Edged Bargains	147.3	155.8
Equities Bargains	68.4	65.9
Value	248.5	226.0
5 day Avrge.		
Gilt-Edged Bargains	139.6	137.8
Equities Bargains	61.6	61.3
Value	197.1	192.0

LEADERS AND LAGGARDS

Percentage changes since December 31 1981 based on Thursday July 1 1982

Health and H'sehold Products	+32.21	Insurance (Life)	+ 2.84
Tobaccos	+25.92	All-share Index	+ 2.46
Insurance Brokers	+19.50	Mechanical Engineering	+ 0.89
Electricals	+18.80	Investment Trusts	+ 0.05
Brewers and Distillers	+16.67	Food Manufacturing	− 1.70
Stores	+12.03	Leisure	− 1.72
Consumer Group	+11.63	Engineering Contractors	− 2.52
Food Retailing	+10.89	Insurance (Composite)	− 3.93
Industrial Group	+ 9.52	Financial Group	− 6.37
Chemicals	+ 9.43	Other Industrial Materials	− 6.75
Contracting, Construction	+ 7.93	Motors	− 8.87
Capital Goods	+ 7.68	Banks	− 8.98
Other Groups	+ 7.31	Oils	− 9.11
Building Materials	+ 6.47	Discount Houses	− 9.80
Other Consumer	+ 6.27	Metals and Metal Forming	−11.65
500-share Index	+ 6.19	Property	−12.22
Newspapers, Publishing	+ 5.69	Merchant Banks	−13.69
Packaging and Paper	+ 4.64	Office Equipment	−14.47
Shipping and Transport	+ 4.37	Overseas Traders	−16.36
Textiles	+ 3.80	Mining Finance	−23.91
		Gold Mines Index	−31.71

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
June 28	July 9	Sept 30	Oct 11
July 12	July 23	Oct 14	Oct 25
July 26	Aug 6	Oct 28	Nov 8

For rate indications see end of Share Information Service

Business in Options picked up sharply and calls were taken out in Howard Tenens, Cornell Dresses, Trident TV, Allied International Designers, London and Liverpool Trust, Woodside, Imperial Continental Gas, Nimslo, Bremar Trust, GEC, Marshalls Universal, Tozer Kemsley and Millbourn, Town and City Properties, Ibstock Johnsen, Glossop and Automotive Products. No puts were reported, but doubles were arranged in Johnson Group Cleaners and First National Finance.

RISES AND FALLS

	Yesterday Rises	Yesterday Falls	Yesterday Same	On the week Rises	On the week Falls	On the week Same
British Funds	2	8	81	211	45	199
Corpns. Dom. & Foreign Bonds	13	3	63	86	28	273
Industrials	115	313	910	787	1,209	4,709
Financial & Props.	46	128	337	302	543	1,706
Oils	5	37	66	60	167	317
Plantations	—	—	23	5	9	101
Mines	18	31	109	206	146	442
Others	25	42	79	168	222	350
Totals	224	562	1,668	1,825	2,369	8,106

NEW HIGHS AND LOWS FOR 1982

The following quotations in the Share Information Service yesterday attained new Highs and Lows for 1982.

NEW HIGHS (15)

BEERS (1): Greene King

STORES (1): Stead and Simpson

ELECTRICALS (2): GEC, MK Electric

FOODS (1): Nabisco Brands

INDUSTRIALS (7): Bibby (J.), Black (P.), Brit. Aerospace, Kennedy Smale, Lep Group, Pitney Bowes Loan, St. George's Group

TRUSTS (2): Tor Invest Inc, Smith Bros

OIL AND GAS (1): ORE

NEW LOWS (111)

FOREIGN BONDS (2): Chinese 4½pc 1898, Do 5pc 1912

AMERICANS (6): Beth. Steel, Cont. Illinois, Eaton Corp., Rep. NY Corp., Sperry Corp., Tesoro Pt.

BANKS (4): Bank of Scotland, Manson Finance, Mercury Secs., Sturla

BUILDINGS (4): Crouch Group, Ibstock Johnsen, Leyland Paint, Warrington

STORES (4): Lee Cooper, Ratners, Samuel (H.), Waring and Gillow

ELECTRICALS (5): BSR, Electronic Machine, Forward Tech, Suter, Tele. Rentals

ENGINEERING (8): Barton Group, Davy Corp., Delta, GKN, IMI, Mollns, Moss Eng., TI Group

FOODS (3): Assoc Fisheries, Clford's Dairies A NEV, Morrison (Wm.)

INDUSTRIALS (20): Abbey, Bowater, BH Prop., Christie-Tyler, Cowan de Groot, Francis Inds., Goetschar A, Holt Lloyd Int, Hoover A, Jenks and Cattell, Morgan Crucible, Pilkington, Radiant Metal, Sangers, Securicor A N-V, Spear (J. W.), Staffs. Potts., Turner and Newall, TSL Thermal Synd., Unilever N V

INSURANCE (1): Combined Int

LEISURE (2): Boosey and Hawkes, Man. Agencys Music

MOTORS (9): Lotus Car, AE, Lucas, Woodhead (J.), Appleyard, Caffyns, Dav s (Godfrey), Harrison (T. C.), Henlys

PAPER (1): Smith (David)

PROPERTY (13): Anglo Met., Chesterfield, Clarke Nickolls, Daejan, Haslemere, Kent (M. P.), Lon Shop Prop 6½pcC, MEPC, Prop Partnerships, Prop Sec Inv, Samuel Props, Stock Conversion, Thames Inv 12pcC

SHOES (1): Stylo

TEXTILES (2): Dixon (David), Foster (John)

TRUSTS (12): Drayton Cons, Elect and Gen, Estate Duties, Greenfriar Inv, Japan Assets, Murray Northern, Murray Northern B, New Throg New Wrts, Robeco (Br), Rebeco Sub Shares, London Merchant, Westpool Inv

OIL AND GAS (6): Brit Can Res, Claremont Pet, Berkeley Ex, Floyd Oil, KCA Int, Woodside

OVERSEAS TRADERS (2): Gill and Duffus, Tozer Kemsley

MINES (6): GM Kalgoorlie, Haoma, North Broken Hill, Peko-Wallsend, Western Mining, Whim Creek

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday

Stock	Closing price pence	Day's change	Stock	Closing price pence	Day's change
Beecham	256	− 6	MIM Hldgs	152	−11
BP	274	− 6	Minet	139	+ 1
Eagle Star	343	+16	TI	104	− 8
Firth (G.M.)	150	+ 9	TSL Thermal Syn	73	− 9
Hepworth (J.)	92	− 3	Town and City	27½	+ 1½
Howard Tenens	51	+ 4	Western Mining	167	−16

THURSDAY'S ACTIVE STOCKS

Based on bargains recorded in S.E. Official List

Stock	No. of price changes	Thursday's closing price pence	Day's change	Stock	No. of price changes	Thursday's closing price pence	Day's change
GEC	31	983	+10	Scot New Brew	13	63	− 3
BAT Inds	16	418	− 7	Leech (Wm)	12	49	− 3
BP	16	280	− 6	Marks and Spen	12	155	− 3
BPB	13	408	−15	Racal Elec	12	448	− 5
De Beers Dfd	13	194	− 4	Bowater	11	197	− 2
Imperial Group	13	105½	− ½	Cable & Wire	11	292	− 1
Minet Hldgs	13	138	− 7	ICI	10	308	− 2

5-DAY ACTIVE STOCKS

Based on bargains over the five-day period ending Thursday

Stock	No. of price changes	Thurs. closing price pence	Change on week	Stock	No. of price changes	Thurs. closing price pence	Change on week
GEC	103	983	+33	De Beers Dfd	54	194	+ 8
BAT Inds	72	418	−30	Minet Hldgs	53	138	− 8
RTZ	66	364	+ 6	BPB	51	408	−16
BP	62	280	−20	ICI	51	308	− 2
Imperial Grp	60	105½	+ 5	GUS A	50	483	−10
Racal Elec	60	448	− 2	Cable & Wire	49	292	+13
Shell Trans	58	390	− 8	Glaxo Inds	49	709	+18

INSURANCES

Abbey Life Assurance Co. Ltd.
1-3 St. Paul's Churchyard, EC4P 4DX. 01-248 9111

Property Fund	228.4	240.5		—
Equity Fund	48.7	50.7	-0.5	—
Property Acc.	267.6	281.7		—
Equity Acc.	47.7	50.3	-0.5	—
Selective Fund	145.9	153.6	-0.5	—
Money Fund	167.2	176.0		—
Convertible Fund	179.3	188.8		—
Prop. Fd. Ser. 4	210.9	222.0		—
Equity Ser. 4	53.8	56.7	-0.5	—
Man. Ser. 4	196.8	207.2	-0.7	—
Money Ser. 4	151.7	159.7		—
Conv. Ser. 4	151.8	159.8		—
Fixed Int. Fd. Ser. 4	117.5	123.7		—
American Ser. 4	108.0	113.7	-2.4	—
High Inc. Ser. 4	115.1	121.2	-0.7	—
Indexed Inc. Series 4	96.7	101.8		—
Pension Property	319.2	336.1		—
Pension Equity	277.9	292.6	-2.9	—
Pension Selective	147.3	155.1	-0.8	—
Pension Managed	292.6	308.0	-1.9	—
Pension Security	225.3	235.1		—
Pension Fixed Int.	114.8	120.9		—
Pension Indexed Inv.	96.9	102.0		—

Albany Life Assurance Co. Ltd.
31, Old Burlington St., W.1. 01-437 5962

Equity Fd. Acc.	315.9	332.5		—
Fixed Int. Acc.	196.5	206.8		—
Gtd. Money Fd. Ac.	154.7	162.9		—
Intl. Man. Fd. Acc.	141.7	149.1		—
Intl. Fxd. Int. Fd.	107.3	112.9		—
Prop. Fd. Acc.	159.5	167.9		—
M'ple Inv. Acc.	347.3	365.6		—
Equity Pen. Fd. Acc.	492.7	518.6		—
Fixed I. Pen. Acc.	374.2	393.9		—
G'td. Mon. Pen. Acc.	217.5	229.0		—
Intl. Mn. PnFdAcc.	163.2	171.8		—
Prop. Pen. Acc.	210.5	221.6		—
M'ple Inv. Pen. Acc.	558.6	587.4		—

AMEV Life Assurance Ltd.
2-6, Prince of Wales Rd., B'mouth. 0202 762122

Managed Fd.	195.0	205.3	-0.3	—

Crown Life—Continued

St. George Mangd. Fd.	110.7	116.6	—
Uncs. & Gen. Fd.	119.6	125.9	—
Sage Fd.	86.1	90.6	—
Heritage Fd.	98.5	103.6	—
DBS Managed	104.3	109.8	—
Crown. Brit. Inv. A	217.2		—
Pens. Mixed. Fd.	147.3	152.6	—
Pens. Mang'd. Acc.	109.9	115.6	—
Pens. Mang'd. Init.	106.1	111.6	—
Pens. Equity Acc.	100.5	105.7	—
Pens. Equity Init.	96.8	101.8	—
Pens. Fxd. Int. Acc.	107.6	113.2	—
Pens. Fxd. Int. Init.	103.9	109.3	—
Pens. Money Acc.	109.1	114.8	—
Pens. Money Init.	105.1	110.6	—

Crusader Insurance PLC
Tower Hse., 38 Trinity Sq., EC3N 4DJ.

Growth Prop June 8	109.7	110.7	—
Managed Pens. June 9	117.24	123.41	—

Eagle Star Insur./Midland Assur.
1, Threadneedle St., EC2.

Eagle/Mid. Units	76.0	78.8	-0.5

Equity & Law Life Ass. Soc. Ltd.
Amersham Road, High Wycombe.

UK Equities Fund	183.8	193.4	
Higher Inc. Fund	117.7	123.8	
Property Fund	192.1	202.2	
Fixed Interest Fund	140.1	148.5	
Index Linked Secs Fnd.	92.3	98.2	
Gtd. Deposit Fund	135.7	142.8	
Nth. America Fund	104.5	109.9	
Far East Fund	92.0	96.9	
International Fund	96.2	101.2	
Mixed Fund	165.1	173.7	

Equity & Law (Managed Funds) Ltd.
Amersham Road, High Wycombe.

Ind. Pen. Equity	194.2	204.4	—
Ind. Pen. Property	144.1	151.6	—
Ind. Pen. Fixed Int.	138.4	145.6	—
Ind. Pen. Indx Lk. Sec.	102.9	108.3	—
Ind. Pen. Overseas	145.0	152.6	—
Ind. Pen. Cash	135.5	142.6	—
Ind. Pen. Balanced	153.9	161.9	—
Ind. Pen. Dep. Admin.	135.5		—

INSURANCE & OVERSEAS MANAGED FUNDS

[illegible]

OFFSHORE AND OVERSEAS

[illegible]

NOTES

[illegible]

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

1982 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
"Shorts" (Lives up to Five Years)						
99¼	95⅝	Exch. 9¾pc 1982	99⅛	.....	9.33	12.87
98⅝	94⅜	Exch. 8¼pc 1983	98⅝xd	.....	8.87	11.57
95¼	91	Exch. 3pc 1983	94⅞	.....	3.16	11.57
99½	95¼	Treasury 12pc 1983‡‡	99⅜	.....	12.08	12.82
98	92⅞	Treasury 9¼pc '83	97½xd	.....	9.49	12.04
102	96¾	Exch. 13½pc '83	101⅛	.....	13.35	12.49
98⅛	91⅞	Exch. 10pc 1983	97½	.....	10.26	11.91
95¼	87⅞	Funding 5½pc '82-84‡‡	95¼xd	.....	5.77	8.87
98⅞	91⅞	Exch. 11¼pc 1984	97⅞	.....	11.49	12.69
102⅞	96¼	Exchequer 14pc 1984	101½	.....	13.79	13.02
89½	81⅛	Exch. 3pc 1984	89½	.....	3.35	8.97
98½	91½	Treasury 12pc 1984	97¾	.....	12.28	13.12
104½	96¾	Treasury 15pc 1985	103¾	.....	14.46	13.23
98⅜	89½	Exch. 12pc Cnv. '85	97¼	.....	12.34	13.29
84¼	73½	Treasury 3pc 1985	84¼	.....	3.56	9.36
97¼	87½	Treasury 11½pc 1985	96⅝xd	.....	11.90	12.89
98⅛	88⅝	Exch. 12¼pc 1985	97⅝	.....	12.55	13.10
96¼	86⅛	Exch. 11¾pc '86	95¾	.....	12.27	13.23
81	69	Treasury 3pc 1986	81	.....	3.70	8.90
97¼	86¾	Treasury 12pc '86	96½	.....	12.44	13.15
90¾	80⅝	Treasury 8¼pc '84-86‡‡	90½xd	–¼	9.39	11.52
30⅛	28⅝	Treas. 12¾pc '86 (£30pd)●	30	.....	12.53	12.99
102⅞	91⅞	Exch. 14pc 1986	101⅞	.....	13.74	13.38
103⅞	90	Exch. 13¼pc 1987	99⅝xd	.....	13.30	13.96
83	73⅞	Funding 6½pc '85-87‡‡	83	.....	7.83	11.14
Five to Fifteen Years						
75⅞	64½	Treasury 3pc 1987	75¼	–⅛	3.98	9.25
98¼	85⅞	Treas. 12pc 1987	96⅛	.....	12.76	13.57
85⅛	72½	Treasury 7¾pc '85-88‡‡	82xd	+⅛	9.40	12.26
69⅞	60⅛	Transport 3pc '78-88	69¾xd	.....	4.33	9.91
94	79⅞	Treasury 11½pc 1989	93⅝	.....	12.86	13.98
70	62½	Treasury 5pc '86-89	70	.....	7.26	11.39
101½	85⅞	Treasury 13pc 1990‡‡	95¼xd	.....	13.60	13.96
96½	85⅝	Exch. 12½pc 1990	96⅛	.....	13.51	14.10
80¼	70⅛	Treasury 8¼pc '87-90‡‡	79⅞	.....	10.45	12.51
93½	77⅞	Treasury 11¾pc 1991	88⅝xd	.....	13.23	14.04
67⅞	59¼	Funding 5¾pc '87-91‡‡	67¼	.....	8.74	12.21
89⅛	76⅜	Exch. 11pc 1991	86⅝	.....	13.02	14.01
99½	81⅞	Treasury 12¾pc '92‡‡	93½xd	.....	13.60	13.96
84½	70	Treasury 10pc 1992	83⅞	.....	12.47	13.76
95¼	80⅞	Exch. 12¼pc '92	94⅝	.....	13.57	14.08
101¼	88⅝	Exchequer 13½pc '92	100⅝	.....	13.96	14.08
97¾	80⅛	Treasury 12½pc '93‡‡	91⅝xd	.....	13.68	13.96
64¼	56¼	Funding 6pc 1993‡‡	63½	.....	9.73	12.42
104	88	Treasury 13¾pc 1993‡‡	100⅛	.....	13.96	13.99
108	91⅝	Treasury 14½pc '94‡‡	107⅞	.....	14.16	14.06
101½	86¼	Exchequer 13½pc 1994	99⅛	.....	13.98	14.08
96½	80⅛	Exch. 12½pc 1994	95⅞	.....	13.69	14.00
78⅝	66¼	Treasury 9pc '94‡‡	75½	.....	12.11	13.27
94¼	76½	Treasury 12pc '95	88½xd	.....	13.54	13.94
47⅞	42⅝	Gas 3pc '90/95	46	.....	6.60	11.05
84¾	68½	Exch. 10¼pc 1995	79¼xd	.....	12.88	13.65
99⅜	83¼	Treasury 12¾pc '95‡‡	95⅞	.....	13.62	13.79
106⅝	86¼	Treas. 14pc '96	99¾xd	.....	14.08	14.08
76¾	66⅝	Treasury 9pc '92/96‡‡	75⅞	.....	12.31	13.31
114⅞	96	Treasury 15¼pc '96‡‡	110	.....	14.20	14.01
102⅞	86	Exchequer 13¼pc '96‡‡	98½	.....	13.72	13.78
47	43⅝	Redemption 3pc 1986-96	46	.....	6.63	10.49
103½	83½	Treasury 13¼pc '97‡‡	96½xd	.....	13.64	13.71
85⅝	69⅝	Exchequer 10½pc 1997	84¼	.....	12.98	13.52
Over Fifteen Years						
75	64	Treasury 8¾pc 1997‡‡	74⅛	.....	12.31	13.19
110⅞	94¼	Exch. 15pc 1997	108⅞	–⅛	14.15	14.01
64	54½	Treasury 6¾pc '95-98‡‡	60¼	.....	11.34	12.75
114¼	99½	Treas. 15½pc '98‡‡	113⅜	.....	14.14	13.96
94¼	78¼	Exch. 12pc 1998	90⅞	–⅛	13.43	13.62
80⅝	66	Treasury 9½pc 1999‡‡	75½xd	.....	12.60	13.19
[illegible]						

Undated

[illegible]

Index-Linked & Variable Rate

[illegible]

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

[illegible]

CORPORATION LOANS

[illegible]

COMMONWEALTH AND AFRICAN LOANS

[illegible]

LOANS

Public Board and Ind.

[illegible]

LOANS—Continued

Financial

[illegible]

Building Societies

[illegible]

FOREIGN BONDS & RAILS

[illegible]

AMERICANS

[illegible]

CANADIANS

[illegible]

BANKS AND HIRE PURCHASE

[illegible]

BANKS & H.P.—Cont.

[illegible]

Hire Purchase, etc.

[illegible]

BEERS, WINES AND SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER AND ROADS

[illegible]

CHEMICALS, PLASTICS

[illegible]

CHEMICALS, PLASTICS—Cont.

[illegible]

DRAPERY AND STORES

[illegible]

ELECTRICALS

[illegible]

ENGINEERING MACHINE TOOLS

[illegible]

ENGINEERING—Continued

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

FOOD, GROCERIES—Cont.

[illegible]

HOTELS AND CATERERS

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

INDUSTRIALS—Continued

[illegible]

INSURANCE

[illegible]

LEISURE

[illegible]

LEISURE—Continued

[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING ADVERTISING

[illegible]

PROPERTY

[illegible]

PROPERTY—Continued

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

INVESTMENT TRUSTS—Cont.

[illegible]

Finance, Land, etc.

[illegible]

OIL AND GAS

[illegible]

OIL AND GAS—Continued

[illegible]

OVERSEAS TRADERS

[illegible]

RUBBERS AND SISALS

[illegible]

TEAS

India and Bangladesh

[illegible]

Sri Lanka

[illegible]

MINES

Central Rand

[illegible]

Eastern Rand

[illegible]

Far West Rand

[illegible]

O.F.S.

[illegible]

Finance

[illegible]

Diamond and Platinum

[illegible]

MINES—Continued

Central African

[illegible]

Australian

[illegible]

Tins

[illegible]

Miscellaneous

High	Low	Stock	Price	+ or -	Div. Net	Cvr	Y'ld Gr's
40	20	Anglo-Dominion	20	......	—	—	—
16½	12	Burma Mines 10p	12½	......	0.55	1.0	6.3
130	27	Colby Res. Corp.	42	......	—	—	—
292	170	Cons. Murch. 10c	180	......	‡Q60c	1.9	‡
8	4	‡‡Explaura Gold	4	......	—	—	—
105	55	Highwood Res.	60	......	—	—	—
255	165	Northgate C$1	178	......	—	—	—
468	344	R.T.Z.	360	-4	16.0	2.1	6.4
£108½	£84	Do. 9½%Cv.Ln.'95-2000	£88	......	Q9½%	30.0	f11.4
20	11	Sabina Inds. C$1	11	......	—	—	—
44	27	‡Southwest C. 10p	32	+1	—	—	—
500	270	Tara Exptn. $1	305	......	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ♦ Figures or report awaited.
- ‡ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- ‡‡ Dealt in under Rule 163(3).
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ♦ Merger bid or reorganisation in progress.
- ♦ Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ‖ No par value.
- ♥ Rate applicable to non-Zimbabwean residents.

§§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1983-84. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1982. K Figures based on prospectus or other official estimates for 1981-82. M Dividend and yield based on prospectus or other official estimates for 1983. N Dividend and yield based on prospectus or other official estimates for 1982-83. P Figures based on prospectus or other official estimates for 1982. Q Gross. T Figures assumed. Z Dividend total to date. Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

REGIONAL AND IRISH STOCKS

The following is a selection of regional and Irish stocks, the latter being quoted in Irish currency.

Albany Inv. 20p	40	......
Bertrams	17#	......
Bdg'wtr. Est. 50p	410	......
Craig & Rose £1	£12½	......
Finlay Pkg. 5p	26	......
Graig Ship. £1	£24	......
Higsons Brew	87	+2
Holt (Jos) 25p	860	-10
I.O.M. Stm. £1	107	......
Pearce (C. H.)	£10	+½
Peel Hldgs.	147	......
Sheff. Refrshmt	79	......
Sindall (Wm.)	220	......

IRISH

Conv. 9% '80/82	£98	+⅛
Nat. 9¾% 84/89	£66¼xd	......
Fin. 13% 97/02	£74¾	+¼
Alliance Gas	80	......
Arnott	195	-3
Carroll (P.J.)	71	-1
Concrete Prods.	90	......
Heiton (Hldgs.)	18½	......
Irish Ropes	34½	......
Jacob	63	......
T.M.G.	3	-4
Unidare	45	+1

OPTIONS

3-month Call Rates

Industrials					
Allied-Lyons	8	House of Fraser	15	Utd. Drapery	7
BOC Intl.	15	I.C.I.	24	Vickers	16
B.S.R.	8½	"Imps"	8	Woolworths	5
Babcock	10	I.C.L.	5½		
Barclays Bank	42	Ladbroke	15	**Property**	
Beecham	21	Legal & Gen.	19	Brit. Land	7½
Blue Circle	48	Lex Service	10	Cap. Counties	10
Boots	19	Lloyds Bank	42	Land Secs.	28
Bowaters	24	"Lofs"	6½	MEPC	20
Brit. Aerospace	17	London Brick	7	Peachey	14
B.A.T.	38	Lucas Inds.	20	Samuel Props.	11
Brown (J.)	7	"Mams"	12	Town & City	3½
Burton Ord.	15	Mrks. & Spncr	12		
Cadburys	9	Midland Bank	30	**Oils**	
Courtaulds	8	N.E.I.	9	Brit. Petroleum	26
Debenhams	7	Nat. West. Bank	38	Burmah Oil	10
Distillers	15	P & O Dfd.	14	Charterhall	6
Dunlop	6½	Plessey	32	KCA	14
Eagle Star	31	Racal Elect.	35	Premier	6
F.N.F.C.	4	R.H.M.	6½	Shell	30
Gen. Accident	28	Rank Org. Ord.	20	Tricentrol	22
Gen. Electric	65	Reed Intnl.	26	Ultramar	38
Glaxo	42	Sears	6		
Grand Met.	17	T.I.	13	**Mines**	
G.U.S. 'A'	45	Tesco	5½	Charter Cons.	25
Guardian	25	Thorn EMI	42	Cons. Gold	45
G.K.N.	15	Trust Houses	11	Lonrho	7
Hawker Sidd.	30	Turner & Newall	11	Rio T. Zinc	42
		Unilever	55		

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 20

FINANCIAL TIMES

Saturday July 3 1982

MAN IN THE NEWS

Almost driven to distraction

BY HAZEL DUFFY

SIR PETER PARKER spent more than an hour yesterday discussing with journalists the merits of proposals for improving Government control of the *public sector industries*, contained in a new book* to which he has written the foreword. It is indicative of his passionate interest in trying to find a new and better relationship between governments and industry—public and *private*—that he found this time just 36 hours before the country is due to be plunged into a strike which will deprive it of railways for the third time this year.

But Sir Peter believes equally passionately that he has right *on his side in the dispute with* the drivers' union. His words to describe the Aslef executive are more restrained now than

Sir Peter Parker

they were on Wednesday, the morning after the Aslef strike call shattered the relief which greeted the decision of delegates to the NUR conference to suspend their strike action. He believes that his appeal to all Aslef members to think about the consequences before going *on strike might yet have the* effect of "bursting open the closed circuit of Aslef."

Since being appointed chairman of BR in September 1976, Sir Peter has seen to be successfully waling the tightrope of managing a nationalised industry which is firmly in the public eye and dependent on government money for its survival. He avoided the pitfalls of publicly losing his cool with ministers and civil servants which have tripped up some public sector industry heads. He deliberately courted the unions from the outset, setting up the consultative Rail Council, attending their social functions, and talking about Sid (Weighell) and Ray (Buckton) *as though they were old chums.*

His critics, however, say that this only worked for as long as he made no great demands on the unions to change their working practices. Now he has to get the unions to deliver those demands if he is to get the money from government which will give the railways some sort of assured future.

After the two-day stoppages by Aslef at the beginning of the year, which gained nothing and lost BR £80m, Sir Peter *knows that his seven years at* BR — he is due to leave in September 1983 — will be judged almost entirely by the events of the next few weeks, although he emphasises that what is happening now is completely in accord with the policies that the Board has been following for a long time.

Sir Peter's firmness in this latest dispute, said to be entirely supported by the Board, has surprised some who know him only for his enlightened conversation, his interest in the arts, and his charm. None of these interests has deserted him during the present troubles. On the eve of the earlier Aslef stoppages, he wrote a review for the New Statesman on two new books on William Blake, whom *he speaks of with reverence.*

On politics, however, he is much more coy. His well-known association with Shirley Williams and other budding Labour politicians during his Oxford days, and his Labour Party activities during the 1950s, led to questions being asked when Barbara Castle asked him first to go to BR in 1967: are we to have a Socialist chairman?—which he castigates as being as irrelevant as talking about "Christian mathematicians" and "black plumbers."

He describes himself now politically as an "amoeba," which means that it would not be politic for him to be associated with any party in this job. But his wide range of interests and achievements in the private and *public sector leave open speculation* that he would be a natural for the SDP when he leaves BR. Of his future, he says only that "we shall see what needs to be done."

* *Controlling Public Industries: John Redwood and John Hatch. Published by Basil Blackwell.*

TROUBLED GROUP FACES SETBACK OVER U.S. TYRES DEAL

Guinness Peat £15m loss provision

BY ALAN FRIEDMAN

GUINNESS PEAT, the troubled commodity-to-banking group, disclosed a major setback *yesterday when it announced* a £15m provision for losses arising from a California tyre business it has helped to finance.

Mr Alastair Morton, group chief executive, said the provision was necessary because Guinness Peat had encountered serious difficulties in recovering fund from Performance Tire, a Los Angeles company which imported into the U.S. tyres made in Eastern Europe and the Far East. The tyre stocks had been financed by a Guinness *Peat UK subsidiary—Performance* Tyre Limited.

The £15m provision, together with net losses of more than £13m in the first half of Guinness Peat's 1981-82 financial year, would result in "a considerably reduced net worth." Mr Morton said.

Some of the first half losses may be reduced because earlier provisions had been too high, but Mr Morton said Guinness Peat now has "a balance sheet problem which we must repair."

Mr Morton declined to reveal Guinness Peat's current net worth, which was £36.2m last October. He said last night: "We are aware of the gravity of this event."

The man with responsibility for the Performance Tyre deal had been Mr Anthony Whittaker, an executive director who resigned in February of this year, Mr Morton said.

"There was a breach of authority limits inside the group," he added.

Guinness Peat's shares were suspended on Thursday morning at 57p at the request of the group. They will begin trading again on Monday. It is believed that a large block of shares changed hands on Wednesday night, but Mr Mor*ton said he was unaware of* whether there would be any Stock Exchange investigation.

Guinness Mahon, the accepting house merchant bank subsidiary of Guinness Peat, yesterday released its annual results *ahead of schedule.* Profits rose by 13.6 per cent to £2.5m after provision for taxation and transfers to contingency reserves.

Both Mr Morton and Mr Richard Fenhalls, chief executive of Guinness Mahon, stressed that the group setback had nothing to do with the merchant bank. Mr Fenhalls said the bank's results had been released in advance of its parent in order to "show that our bank is perceived as responsible.

"*While we are obviously con*cerned at the latest misfortune of our parent, we are at arm's length and will continue to ply our wares," he said.

Mr Morton wished to distinguish between the "ongoing and outgoing" businesses of the *Guinness Peat group. He said* the heart of the group was now the merchant bank and the Fenchurch insurance concern.

The group's strategy would continue to be to withdraw from areas which are "irrelevant, unprofitable or uncontrollable." "I would rather not have had this knock in the guts, but it doesn't alter our strategy," said Mr Morton.

Guinness Peat would not be selling its bank and planned to reduce its overall short-term debt from *£91m to about £40m.* Mr Morton said he wanted to build a profitable financial services group.

The £15m provision would not affect the group's plans to sell the commodity business to a group of investors led by Lord Kissin, the life president of Guinness Peat. Lord Kissin said last night he expected the purchase would cost between £10m and £15m, the asset value of the commodities business.

"We are talking on a friendly *basis and will announce the deal* within the next fortnight," Lord Kissin said.

Guinness Mahon results, Page 14

Argentina wants debt rescheduled

BY JIMMY BURNS IN BUENOS AIRES AND PETER MONTAGNON IN LONDON

ARGENTINA'S new President, General Reynaldo Bignone, has *confirmed that his Government* will seek to restructure the country's $36bn (£20.7bn) foreign debt. It could be a larger rescheduling operation than Poland's.

In a speech to the nation on Thursday, General Bignone said: "Argentina's large foreign debt will be restructured in a way that . . . is compatible with its resources."

He did not elaborate, but bankers in Buenos Aires said Argentina was likely to seek help from the International Montary Fund.

Bankers in New York and London said no meaningful discussions on commercial bank debt can take place before Britain lifts its freeze on Argentine assets in the UK.

Latest estimates suggest that *Argentine public and private* sector borrowers must repay or refinance about $12bn in foreign debt this year. *It is not clear* how far this process has already gone. Argentina's reserves are estimated by some banks to have fallen to $2bn.

General Bignone promised a big reactivation of Argentina's economy, which was already in deep recession before the Falklands crisis.

"We think it is imperative that we introduce the necessary financial and monetary reform aimed at limiting unemployment and increasing productivity," he said.

Measures believed to be under consideration by the new economy minister, Sr Dagnino Pastore, include a wages policy, control of interest rates and raised *import* tariffs. A large devaluation and re-introduction of a split exchange rate for commercial and financial transactions to lessen the impact on prices are also possible.

Bankers in London said last night they were relieved that General Bignone had apparently rejected pressure from opposition parties in Argentina for a unilateral moratorium on foreign debt. But, they said, the outline economic programme was, at first glance, unlikely to appeal to the International Monetary Fund.

There have been ruours in the Euromarket in recent days that Argentina has already had preliminary discussions on rescheduling with U.S. banks. These are denied by banks in New York.

It would be "implausible," said one British banker, for Argentina to agree a rescheduling arrangement that did not include British banks which are involved in over half the commercial bank loans to Argentina.

Pressure on the British Government to lift the assets freeze seems likely to increase as a result of General Bignone's announcement. British banks feared Argentina would divert money it claims to have set aside to meet debt service payments to British banks withheld because of the Falklands crisis.

Most bankers remain convinced that once the assets freeze is lifted, Argentina will find it fairly easy to negotiate a restructuring of its debt.

British Airways in £40m jets lease deal

BY ARTHER SANDLES

BRITISH AIRWAYS has managed to ease its medium-term capital problems thanks to a £40m deal with charter rival Air Europe, a subsidiary of Intasun Leisure. Air Europe is taking over the purchase of two Boeing 757 jets previously ordered by BA.

British Airways will use the jets in the winter on a lease from Air Europe.

The two aircraft—the latest Boeing model carries 228 people—are part of the 19 ordered by BA in pre-recession days. Recently, the airline has been trying to slow down delivery of the jets.

Air Europe, part of one of Britain's fastest growing package tour groups, needed additional summer capacity but wanted a winter user for any extra aircraft.

Boeing, it appears, put the two UK customers together to save its own order book.

The deal gives Air Europe one 757 next year and one in 1984. Financing will be through British banks over a ten to 12 year period.

It is being suggested that there have been several financing offers. No final decision has been made. When the deal is completed—for the moment it is an agreement "in principle"—it will be subject to Intasun shareholder approval (Intasun is USM quoted) but more than half the stock is already committed to approval.

In fleet terms the deal suits both airlines but is extremely complicated. Under the arrangements Air Europe will have the 757s for the peak summer months, plus two 737s it already leases from Air Florida, plus other 737s it owns.

British Airways will get the new Boeings at other times, when the Air Florida jets go back to the U.S., and it will also have access to other Air Europe 737s for lease.

"It will mean our fleet will be balanced 75 per cent in the summer and 25 in the winter, which is perfect for us," Mr Harry Goodman, Intasun chairman, said last night.

Arrangements will be made for British Airways to supply Air Europe with simulator facilities for crew training, spares and technical support. Provision of 757 maintenance is still being discussed.

The first 757 will be subject to an option for Air Europe to sell to British Airways in 1987. The second 757 will have no such option.

British Airways said yesterday that the deal meant it would still be the first UK airline to operate the 757. "The proposed agreement simply means that between 1983 and 1986, the BA 757 fleet will grow rather more slowly than originally planned—in line with the lower traffic expectations."

Continued from Page 1

Jenkins

less. Dr Owen has emerged with an enhanced reputation and standing from the campaign. With his 44th birthday yesterday he is in a strong position over the longer term, ahead of Mrs Shirley Williams and Mr Bill Rodgers.

Dr Owen immediately pledged his support to Mr Jenkins and said the campaign had shown the merits of a direct election by all members. He noted that the view of Mr Jenkins and Mr Steel about the Alliance would now be dominant but he hoped that they would not believe they had carte blanche. He warned of the need to take account of the 45 per cent of voters who had a different view about the party's development.

Mr Jenkins now faces the problem of how to fit Dr Owen into the party leadership now that the latter is no longer Parliamentary leader. Leading members of the SDP last night were saying that there might *now be some debate about the* allocation of jobs between Dr Owen, Mrs Williams and Mr Rodgers.

Continued from Page 1

BR toughens stance

and its alternative proposals gives no guarantee that after further delay there will be no change in the union's basic position.

Aslef said the all-out strike threat would be suspended im*mediately if the new rosters* were withdrawn. Mr Ray Buckton, Aslef general secretary, said: "Flexible rostering is no longer the issue. Our proposals are no longer the issue. The [illegible] will the British Rail Board agree to suspend the rosters to be imposed on Sunday if we call off the strike?"

There is, therefore, a stand-off between the two sides. BR is seeking agreement from Aslef to stringent conditions—including calling-off the strike—before it will suspend the new rosters. Aslef is saying the rosters have to be suspended before the strike is called off.

A last ditch peace initiative seemed less likely yesterday after the Advisory, Conciliation and Arbitration Service said it had no plans for any further intervention although it was ready to help if necessary.

Senior BR officials believe there is a groundswell of opinion among train drivers against the strike and a readiness to adopt flexible rostering.

Mr Bob Reid, BR's managing director, said eight out of the 11 Eastern Region depots where *the new rosters will be posted* tomorrow, had told the management and the unions they would agree to work the rosters if the union allowed them to do so.

BR hopes that this groundswell will see a number of train drivers reporting for work tomorrow and next week in a repeat of last Monday when a number of NUR members defied their union's strike call.

In a letter yesterday Aslef warned its members: "This is not just an ordinary industrial dispute. We're fighting for more than the eight-hour day. We're fighting for the survival of strong trade unionism on the railway."

In an unspecified reference to the other rail unions the letter added: "Let us be honest: this *is our most difficult battle. If it* defeats Aslef, the British Rail board has nothing to worry about from anybody else."

First National Finance in £20m claim

BY RAY MAUGHAN

FIRST NATIONAL Finance Corporation is claiming a total of £20.25m from two of the directors of Norwest Holst, Mr Raymond Slater and Mr John Lilley, as well as a third man, Mr Leo Hall.

The two directors, Mr Lilley and Slater, were heavily criticised in a Department of Trade inspectors' report published recently for their "deplorable conduct in and about their prosecution of the bid" for Norwest, the civil engineering, housebuilding and construction group.

The action stems from the loans FNFC made to a private company called Stonegate Securities, controlled by the three defendants, for the purpose of building up a stake in Norwest.

FNFC's demands are made up of the two guarantees in writing made on August [illegible] 1972 and July 25 1973, respectively. The total claim comprises a sum of £500,000 under the first agreement, a sum of almost £14m under the terms of the later agreement plus accrued interest of almost £6m. Offsetting these claims is the security totalling £507,000 granted by Stonegate to the plaintiff.

The securities realised by FNFC are Merton Park Studios for £421,000, less agents commissions of just under £5,000, and land at Haworth which realised £90,000. The plaintiffs will give credit for such amounts at trial.

The two Department of Trade inspectors—Mr John Davies QC and Mr Thomas Harding—were appointed in March 1977 and their report was published almost two weeks ago. The report stated that "First National Equities and Birmingham Industrial Trust Investments were subsidiaries of FNFC who provided the finance for the Norwest acquisition. By February 1976, the sole participants in the consortium (to acquire Norwest) were Messrs Lilley and Slater."

Weather

UK TODAY

SHOWERS with sunny intervals.

London, E and SE England
Rain, becoming brighter later. Max 19C (66F).

Rest of England, Wales, Channel Island
Showers, sometimes heavy. Max 17C (63F).

NE Scotland, Orkney, Shetland
Scattered showers with sunny intervals. Max 14C (57F).

Rest of Scotland, N Ireland:
Showers. Max 16C (61F).

Outlook: Little change.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	S	24	75	Luxmbg	C	22	72
Algiers	S	39	102	Luxor	S	38	100
Amsdm	S	23	77	Madrid	C	30	85
Athens	S	29	84	Majorca	S	31	88
[illegible]	—	—	—	Malaga	F	25	77
[illegible]	S	24	75	Malta	S	28	82
[illegible]	—	—	—	Mnchstr	C	14	57
Belfast	C	16	61	Melbne	S	14	57
Belgrd	S	24	75	Mx C'ty	—	—	—
Berlin	C	21	70	Miami	—	—	—
Biarritz	C	27	81	Milan	S	29	84
Bmghm	C	17	63	Montreal	F	15	59
Blackpl	C	14	57	Moscow	C	14	57
Bordx	C	28	82	Munich	S	25	77
Boulgn	F	27	81	Nairobi	F	24	75
Bristol	R	17	63	Naples	S	28	82
Brussels	S	26	79	Nassau	—	—	—
Budpst	F	22	72	Nwcstl	C	17	63
Cairo	S	33	91	N York	S	18	64
Cardiff	C	17	60	Nice	S	24	75
Cas'blca	C	23	73	Nicosia	S	29	84
Cape T.	C	13	55	Oporto	F	18	65
Chicago	C	19	66	Oslo	C	15	59
Cologne	S	24	75	Paris	S	23	73
Copngn	C	16	61	Perth	S	13	55
Corfu	S	31	88	Prague	F	22	72
Denver	S	15	59	Rykjvk	S	13	55
Dublin	C	16	61	Rhodes	S	28	82
Dbrvnk	S	24	75	Rio J'o	—	—	—
Edinbgh	C	17	63	Rome	S	28	82
Florence	S	32	90	Salzbrg	F	25	77
Frankft	S	25	75	Stckhm	C	14	57
Funchal	—	—	—	S. Mrtz	—	—	—
Geneva	S	26	79	Singapr	—	—	—
Gibrltr	[illegible]	[illegible]	[illegible]	Stavngr	—	—	—
Glasgow	[illegible]	15	59	Strasbg	C	16	61
Guernsey	[illegible]	16	61	Sydney	C	23	73
Helsinki	[illegible]	18	64	Tangier	C	15	59
H Kong	C	27	81	Tel Aviv	S	22	72
Innsbrk	[illegible]	26	79	Tenerife	S	28	82
Invrnss	[illegible]	[illegible]	[illegible]	Tokyo	C	22	72
I.o.Man	[illegible]	[illegible]	[illegible]	Toronto	S	15	59
Istanbul	[illegible]	26	79	Tunis	S	29	84
Jersey	[illegible]	17	63	Valencia	F	27	81
L. Palms	—	—	—	Venice	S	26	79
Lisbon	[illegible]	21	70	Vienna	S	23	73
Locarno	[illegible]	26	79	Warsaw	C	18	64
London	C	21	70	Zurich	F	25	77
L. Ang.†	S	16	61				

C—Cloudy. F—Fair. Fg—Fog. H—Hail. R—Rain. S—Sunny. Sl—Sleet. Sn—Snow. T—Thunder.
† Noon GMT temperatures.

THE LEX COLUMN

Guinness Peat's £15m puncture

Accident-prone Guinness Peat has suffered another puncture, this time suitably enough through its exposure to a Californian importer called Performance Tire. Only last year, of course, the group's commodities business was skidding nastily after dabbling in *the Chicago animal fats* markets. In the middle of all this, poor Guinness Mahon, the group's merchant banking subsidiary, is trying to avoid being tainted by its parent's troubles, and is bravely proclaiming its own health and strength by bringing out, ahead of schedule, record profit figures for the year to April.

This is still far from being the end of Guinness Peat, but hopes that it might recover to become a healthy, broadly based financial group have now been severely dented. Within a few weeks the management buy-out of the commodity side is likely to go ahead. That will leave the main activities of Guinness Peat, apart from banking, as insurance broking, aviation broking and leasing, and project management together with some industrial and property ventures. If all goes well, the earning capacity of the group should be well over £10m pre-tax, but the *burden of debt still hangs* heavily over future prospects.

At present Guinness Peat has borrowings of over £90m, but although much of this total will be disposed of with the commodities business, it is hard to see the figure coming down to under £40m. Meanwhile net worth last given as £36.2m on an adjusted basis for April 1981 must have been significantly reduced, though there could be scope for limiting the damage *through clawbacks of provisions* and by means of property revaluations. And the market value of the bank is probably nearer £40m than its disclosed book net worth figure of £26.1m as at April this year.

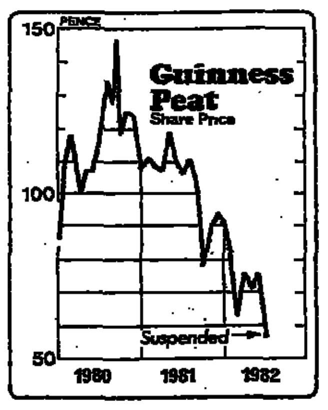
It looks very much as though it may take a sizeable capital injection to get Guinness Peat back properly on its feet. And as one dose of bad publicity follows another, shareholders may well be wondering whether Guinness Mahon might be worth more outside the group than inside it.

Markets

The authorities spared the gilt-edged market a new tap yesterday afternoon but they are unlikely to show such forebearance for long. Next week should see encouraging figures on bank lending and central Government borrowing, while the Government Broker would presumably like to have a new stock in place before a fistful of coupon payments becomes *due later this month.*

His funding programme is being made no easier, however, by the interest rate anxieties on the other side of the Atlantic. Payment on the recent four and seven-year U.S. Treasury note auctions is due next week, and Monday's Independence Day holiday will leave banks with only four days to meet their reserve requirements so, even if the Federal Reserve remains helpful, short term dollar rates could stay fairly firm.

Index fell 6.3 to 543.0



Town & City

The acquisition of Berkeley Hambro and a property revaluation have allowed Town and City Properties to emerge at long last from the 1974 property crash with a tolerable level of balance sheet gearing. Net debt now stands at 57 per cent of shareholders' funds, a level broady in line with expectations. However, the return to *profitability has taken place* well ahead of schedule, with a £1m pre-tax profit in the second six months, containing the full year loss at £2.9m. An 18 per cent jump in the contribution from the service industry division to £7.9m takes most of the credit.

This may not worry the Bank of England too much so long as sterling's trade-weighted index holds steady. It finished yesterday at 91.3, exactly the same level as a week before. The Bank may be more anxious about the fact that sterling interest rates are still choking any recovery in demand, a message which has not been lost on the *equity market. The FT 30-Share* Index ended the account at its lowest level since mid-January, with several benchmark recovery stocks, including T and Lucas, reaching new lows for the year.

Over the last year the company's share price — at 27½ yesterday — has more or less held steady, while the property sector as a whole has declined by nearly a fifth. This has left Town & City shares on a rather smaller discount to net assets—*of 37 per cent—than the* average. There may be some support from the imminent return to meaningful dividend payouts, likely pre-tax outcome in the coming year in the £6m to £8m range and a fairly healthy projection for reversions.

Nevertheless, Town & City's capital gearing remains high by the sector's standards, and the portfolio is now of relatively low quality. The resort to sale and leasebacks produces an element of off-balance sheet *gearing, leaving the company* more vulnerable than most to the property devaluations that have been beginning to show up in property company balance sheets in recent weeks. So the rating is heavily dependent on investors' regard for the management.

Atlantis

London is no longer the Mecca it used to be for oil men bearing maps and charts of Western Canada and the U.S. Only last week, institutional yawns greeted Aberdeen American's attempts to raise £16m and the issue promptly folded. But the occasional tiddler can still get through—this week a company *called Atlantis Resources* successfully placed 3m of its shares in London at 45p each.

Atlantis' placing document has drawn support from the sort of unrealistic figures which seem to remain *de rigeur* for *transatlantic oil companies. The* estimated net cash flow on proven reserves emerges as C$84.5m which is then discounted at a 15 per cent rate to C$17m. This exercise is heavily dependent on a sharply rising oil price—projected to reach U.S.$80 a barrel in 1990.

In fact, the sorry state of the oil sector is now dictating discount rates of as much as 30 per cent, while forecasts for the U.S. oil price in 1990 range around $52. When quality North Sea oil companies are trading at a 25 to 35 per cent discount to net assets, Atlantis' 21 per cent discount seems a mite ambitious.